The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japanese Army Asserts Sovereignty Over Five Northern Provinces

ARTICLES IN THIS ISSUE

Rickshamen, Beggars, the Destitute and Tenements for the Poor

Japanese Warlords Assert Sovereignty Over Five Provinces of North China—"Advice to Overseas Chinese"

Complicated S.M.R. Finances and North China Policy Responsible for Matsuoka Appointment

Advice to New S.M.R. President by Loving Shanghai Friends

Japanese Government Issues Ambiguous Statement on Minobe's "Organ" Theory

Chinese Official Detained at Japanese Embassy; Reorganization of North China Demanded

The Housing Program of the City Government of Greater Shanghai . . . . . By Y. L. Lee

Japan's Government and Her International Relations . . . . . By Harold Scott Quigley

Britain Becomes "Pro-German" and "Pro-Japanese" . . . . . By Harry J. Greenwall

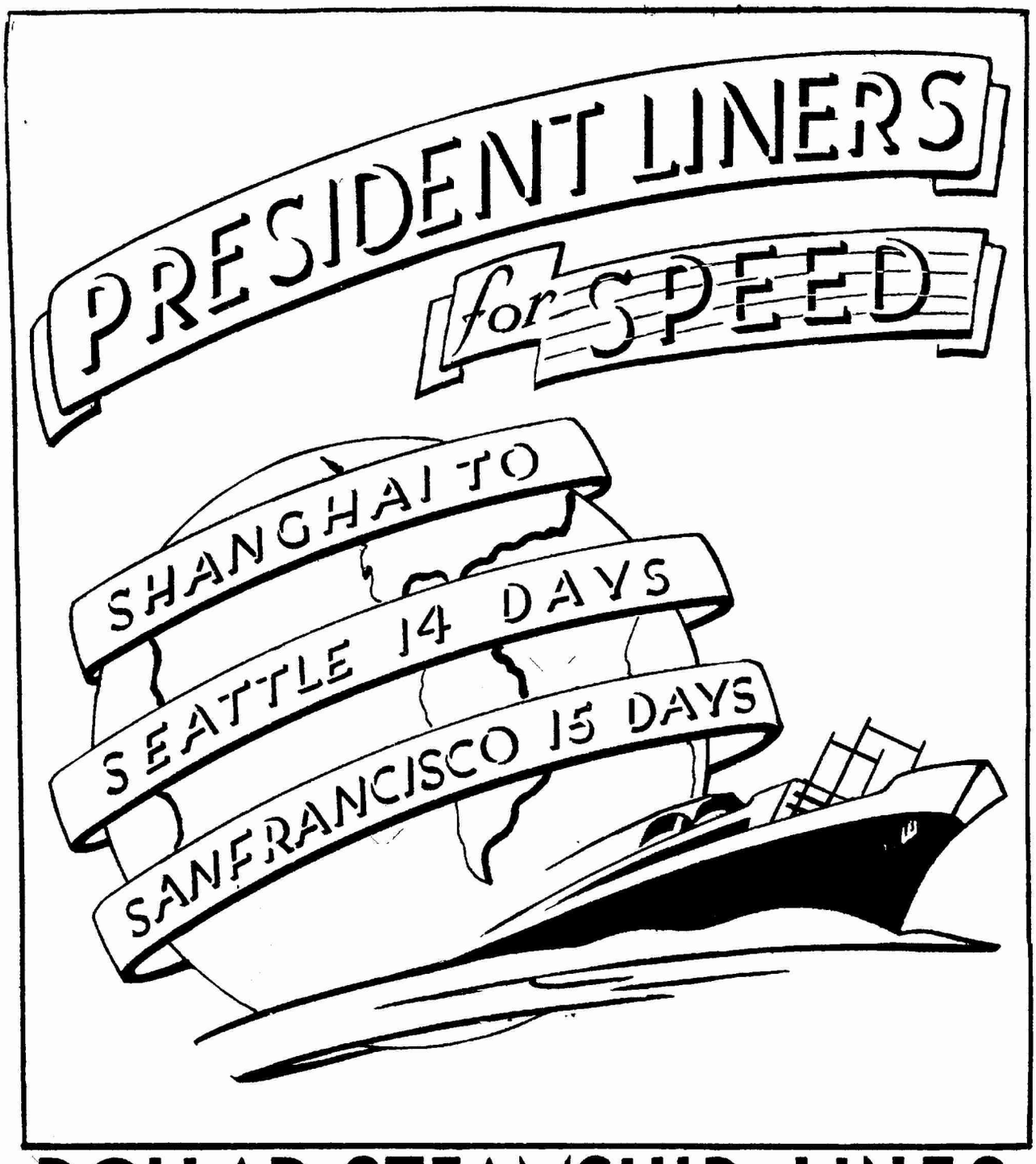
The Negotiations Regarding the "Outside Roads" in Shanghai . . . . . By C. Y. W. Meng

One Japanese Critic Who Told the Truth . . . . . By Paul K. Whang

SATURDAY, AUGUST 10, 1935 VOLUME 73, NUMBER 11

FORTY CENTS A COPY

73-391



DOLLAR STEAMSHIP LINES
and AMERICAN MAIL LINE

73-392

READ

"THE CHINESE REPUBLIC"

Edward Bing-Shuey Lee, Editor

SPECIAL FEATURES

1. Review of World Events
2. Survey of the Week's News in China
3. The Mis-Republic
4. What China Has
5. Chinese Leaders' Views

OTHER FEATURES

1. Editorials
2. Special Articles on Economic Development, Foreign Affairs, Current Topics and Specialized Subjects
3. Reconstruction
4. Chinese Press Opinion
5. Foreign Press Opinion
6. Documentary Data
7. Book Reviews

20 Cents per Copy

$7.00 Mex. per year (domestic)
$16.00 Mex. per year (foreign)

Business and Editorial Offices,
150 Kiukiang Road, Shanghai.

THE NEW CHINA

North China's Only Journal of Opinion

Chronicling the March of New China

Twenty Cents per copy - Two Dollars per year

Abroad Mex. $3 :20 per year including postage

Send Your Order to the Following Address

THE NEW CHINA PUBLISHING ASSOCIATION

66 Kan Mien Hutung, Hatamen St.,
Peiping.

A.B.C. PRESS, SHANGHAI
Printing
in all its Branches

Your work should bear our imprint

The National City Bank of New York, Rates of Exchange

Shanghai, August 7, 1935

Demand selling rate on America:	U.S.$1.00=Sh. $ 2.68
Demand buying rate on America:	U.S.$1.00=Sh. $ 2.64
Demand selling rate on London:	£1.0.0=Sh. $13.28
Demand buying rate on London:	£1.0.0=Sh. $13.10

Latest New York Stock Exchange Quotations

August 7, 1935
Stock Exchange — Business Done:-
Total Volume: 1,770,000 Shares

1934-35 High	Low	Div. $ per sh.	STOCKS	Last Sale Aug. 5	Aug. 6
11⅝	4⅝	—	Adams Express	7½	7⅝
146	90¼	4.00	American Can	144	143
22½	14⅝	0.40	Amer. Cyanamid "B"	21½	21
13⅜	2	—	American & For. Power	6⅝	6⅜
37½	11¾	—	American & Foreign Pwr. $7 pfd.	37⅝	38⅝
17⅝	10	—	American Radiator & S.S.	17½	17¼
132⅝	99¼	9.00	American Tel. & Tel.	132⅜	132⅝
100¼	67	5.00	American Tobacco "B"	100	99½
27⅝	7¼	—	American Waterworks	14¼	13⅜
17⅞	8	—	Anaconda Copper	16	16⅜
73¾	36⅝	2.00	Atchison, T. & S. Fe	53	52
57⅝	15	—	Auburn	26½	26¼
24½	7⅞	—	Baltimore & Ohio	14	14½
49½	22½	—	Bethlehem Steel	36¼	35⅝
11¼	6½	—	Boeing Airplane Co.,	10⅞	10⅞
49⅝	16½	1.50	Borg Warner	48	47⅜
18¼	9⅞	—	Canadian Pacific Railway	10	10
88¾	35	—	Case, J. I.	65¼	65⅝
54⅞	23	1.00	Caterpillar Tr.	54	53¼
40⅝	15⅞	1.40	Chase National Bank	32⅝	32½
48¾	37⅛	2.80	Chesapeake & Ohio	46	46¼
49⅞	34	3.00	Chesapeake Corp.	45¾	45⅞
60⅝	29¼	1.00	Chrysler	58⅛	58½
19¼	3¾	—	Columbia Gas & Electric	9¾	9⅝
36⅝	15¾	0.60	Coml. Solvents	19¾	19¼
3⅝	0⅝	—	Commonwealth & Southern (ord.)	2⅛	2⅛
47⅝	16¼	1.00	Consolidated Gas of N. Y.	31⅝	30⅞
14¼	6½	0.28	Consolidated Oil	9	9
23	15⅛	0.25	Contin ntal Oil	21⅜	20⅞
84½	55½	3.00	Corn Products	71½	71½
29	14⅛	—	Douglas Aircraft	29	28¼
108	80	2 60	Du Pont de Nemours	107¼	108½
23½	3¾	—	Electric Bond & Share	14⅛	13⅝
17⅝	8¼	—	Fox Film "A"	15⅛	15⅞
29¾	16⅞	0.60	General Electric	29	29
37½	28	1.80	General Foods	36¾	37
42	24⅝	2 00	General Motors	39⅝	41¼
45¾	13¾	1.00	General Railway Signal	33½	34¼
28	14½	1.20	Gold Dust	16¾	16⅜
41⅜	16	—	Goodyear Tire & Rubber	19¾	19¾
60¾	33¼	1,00	Humble Oil	60½	59½
29¼	21	0.60	International Nickel	28¼	28½
17⅝	5⅜	—	International Tel & Tel	11⅛	10¾
66⅝	39	0.25	Johns Manville	64¼	62½
23½	14	0.60	Kennecott	19¼	19¾
43⅞	20⅜	2.00	Loew's Inc.	40⅜	39⅞
24⅝	15¾	1.20	Lorillard	24⅛	24¼
77	39	1.00	Monsanto Chemical	72¾	73
35⅝	20	—	Montgomery Ward	32⅝	32⅝
43	16⅞	1.00	National City Bank	29¾	29¾
18¾	13	1 20	National Dairy Prods.	16¼	15⅝
31⅝	16	2.00	National Distillers	26⅛	26
15½	5	0.80	National Power & Lt.	11	10¾
45¼	12¼	—	New York Central	20¾	20⅝
25¼	9⅛	1.00	North American	21¼	20¾
26⅜	12⅝	1.50	Pacific Gas & Electric	26⅜	26
42½	19	2.40	Pacific Lighting	42½	42½
6⅜	2¾	—	Packard Motors	5	5
80¼	51½	2.00	Penney, J.C.	80¼	78½
39½	17¼	1.00	Pennsylvania Railroad	26¾	26½
22¾	13	1.00	Phillips Petroleum	23	23½
45	20⅜	2.40	Public Serv. of N.J	41¼	41
8¼	4	—	Radio Corporation	6½	6⅝
62⅞	43¼	3.00	Reynolds Tobacco "B"	54½	54⅝
33⅞	17⅛	—	Schenley	30⅝	30¼
51¼	31	0.75	Sears Roebuck	54¼	53½
19⅞	11	0.60	Socony-Vacuum	13⅝	12⅞
22⅛	10⅛	1.50	Southern California Edison	20⅛	19¾
33¾	13	—	Southern Pacific	19	19
25¼	13¾	1.00	Standard Brands	14⅝	14¼
17	1¾	—	Standard Gas & Electric	7	6⅞
50⅛	35⅝	1.00	Standard Oil Co. of N. J.	48⅛	47⅛
67	47¼	3.80	Sterling Products	64¼	64¾
43¼	29	2.00	Texas Gulf Sulphur	34	34½
8½	5	0.30	Transamerica	7	7⅛
65	35⅝	1.60	Union Carbide & Carbon	64	62⅞
133⅞	83⅛	6.00	Union Pacific	104	99¼
17⅝	8⅛	—	United Aircraft (New)	17	16⅝
6½	3⅝	—	United Airline Trans.	7¼	6⅞
8⅝	1½	—	United Corporation	4⅞	4⅝
20⅛	9⅝	1.00	United Gas Improvement	16⅝	16⅛
66¼	40¼	2.00	Universal Leaf	62	61
64⅜	32	2.00	U.S. Indus. Alcohol	41½	40½
24	9⅜	—	U. S. Rubber	14⅛	14
59⅞	27⅞	—	U. S. Steel	42⅞	42
21⅜	11¼	—	Vanadium	15⅛	15¼
8¼	2¼	—	Warner Bros. Pictures	5¼	5
65½	27⅞	—	Westinghouse Electric	63⅝	63¼

Call Money: 0¼ %

SWAN, CULBERTSON & FRITZ

Swan, Culbertson & Fritz

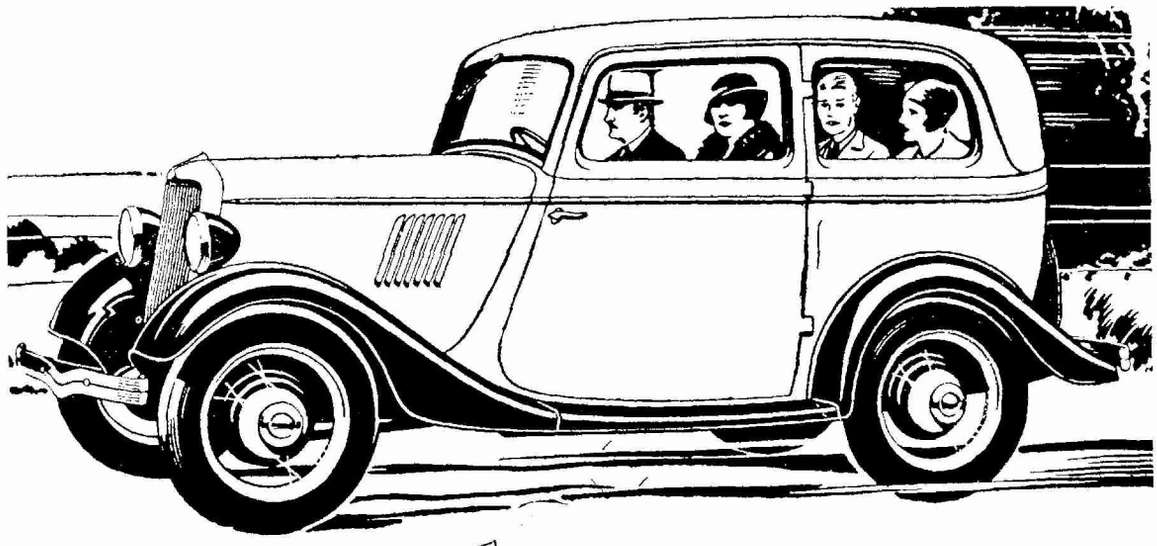
Investment Securities—Local & Foreign

Safe Deposit Facilities

New York stock quotations received daily

Sassoon House Telephones 11200 (4 lines)

★HIGH PERFORMANCE AT LOW COST



THE POPULAR
FORD
(8 H. P.)
is the choice of discriminative buyers

Buy a Popular Ford and you buy proved performance. Buy a Popular Ford and you know you have the best car of its class. It is worth more than the price you pay for it. This has only been made possible by the production methods employed at the Ford Works at Dagenham, Essex. Try a Popular Ford—you will find it has a high-class performance, it is comfortable, its appearance is graceful and modern, and it is economical in all respects.

Ford

Ford Authorized Dealer:

BILLS MOTORS, FED. INC., U.S.A.

Corner Avenue Foch & Route Cardinal Mercier

Ford Motor Company, Exports, Inc.

HAMILTON HOUSE SHANGHAI

中華郵政特准掛號圖爲新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China

密勒氏評論報

The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 73 | Shanghai, China, Saturday, August 10, 1935 | Number 11

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; TRYPHON V. KU, Advertising Dept.,; F. K. CHAO, Business Dept.

CONTRIBUTING EDITORS

C. Y. W. MENG — S. Y. LEUNG

C. Y. HSIEH — PAUL K. WHANG

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

Contents

Editorial Paragraphs

Rickshamen, Beggars, the Destitute and Tenements for the Poor 351
Complicated S. M. R. Finances and North China Policy Responsible for Matsuoka Appointment... 352
Advice to New S. M. R. President by Loving Shanghai Friends 354
Japanese Warlords Assert Sovereignty Over Five Provinces of North China..... 355
Advice to Overseas Chinese..... 357
Japanese Government Issues Ambiguous Statement on Minobe's "Organ" Theory 358

Special Articles

Chinese Official Detained at Japanese Embassy; Reorganization of North China Demanded 362
The Housing Program of the City Government of Greater Shanghai .....By Y. L. Lee 366
The Negotiations Regarding the "Outside Roads" in Shanghai.....By C. Y. W. Meng 368
One Japanese Critic Who Told the Truth ..... By Paul K. Whang 370
Britain Becomes "Pro-German" and "Pro-Japanese" ..... By Harry J. Greenwall 380
Who's Who in China 381
Men and Events 382
New Books of Interest in the Far East 384
Japan's Government and Her International Relations .....By Harold Scott Quigley 385

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

RICKSHAMEN, BEGGARS, THE DESTITUTE AND TENEMENTS FOR THE POOR

A SMALL item in last Sunday's foreign newspapers stated that the authorities of the International Settlement, during July, arrested and fined 2,891 beggars, the average being 93 a day. Just how the authorities went about "fining" the beggars was not explained, but we were told that the custom is to transport them to Woosung where they are dumped "on the beach." What happens to them after that no one seems to know; many probably succeed in getting back to Shanghai—and another free ride back to Woosung.

⁂

Then there is the problem of the rickshamen which has advanced or retrograded to a point where no one seems to understand just what has happened. But the fundamental problem of too many rickshamen for the available trade continues a fundamental problem as it was before the authorities started out to regulate it. According to one of the officials of the Municipality of Greater Shanghai the number of rickshas exceeds available customers by more than two to one and there are about four times too many rickshamen for the available number of vehicles. The best way to visualize the ricksha problem is to visit the block on Avenue Edward VII between Szechuen and Kiangsi roads on any night in the week, the best time being between 10 o'clock P. M. and midnight. Here in this one block one may count anywhere from 100 to 300 rickshamen fighting over a handfull of customers who emerge from the bars and dives which occupy most of the Frenchtown side of the street. Often the street is so crowded that it is practically impossible to drive through in a motor car without an accident. The police apparently have long since given up the problem of forcing the hungry pullers to wait in line.

⁂

Next we come to the question of housing the poor, or providing quarters for some 94,122 destitute Chinese who live in straw-huts or beggar "villages" located on the fringes of the foreign settlements and the Chinese Municipality. In a recent discussion of this subject in *The Review* (July 20) it was stated that the Municipality of Tsingtao was far ahead of Shanghai in the matter of constructing tenements for the homeless. This

statement still stands because Tsingtao will eradicate its last "squatter" village this summer. But Shanghai, that is, the Chinese Municipality, is doing something. As indicated in an article elsewhere in this issue four tenement villages already have been constructed and several more are in process of construction or contemplated. But it will require several years to complete the job and in the meantime the newspapers continue to print stories about the fires which sweep through the straw-hut towns with the usual toll of death and destruction among people whose only crime is that they came to Shanghai to find work and a place to live—and usually failed. At a meeting held at the Y.M.C.A. on August 1 to consider the housing issue the Chinese municipality presented maps and charts indicating that the magnitude of the issue is fully realized. The chief problem is where to find the money for building the tremendous number of houses required. A list of members of the advisory committee considering the problem contained the names of several foreigners, a curious situation in view of the fact that neither of the foreign settlements here has ever spent a dollar to provide housing for the thousands of people who flock here to obtain work—and fail.

***

Of special interest in connection with the housing problem was a series of articles on the subject published in *The China Press* last week. The articles were written by W. E. Fisher, Jr., a member of the staff who presented figures showing that thousands of houses constructed for one family often contain from 16 to 30 people and in some instances as many as 40 persons crowd into these hovels which rent from $15 to $40 a month—a chief source of income for many of Shanghai's realty promoters and upon which the fortunes of some of Shanghai's leading citizens are founded.

There apparently are no available statistics giving the total number of unemployed in the Shanghai district, newspaper reports ranging from 150,000 to more than 250,000. During the month of July, nine concerns closed down affecting 1,924 hands, as compared with thirty-one concerns and 3,285 hands in June. Of this number, seven were located in the Settlement, affecting a total of 1,852 hands, as compared with twenty-three concerns and 2,301 hands in June. In addition, 507 hands were discharged from factories in the Settlement in an endeavor to cut down expenses. Some 19 cases of reduction of working periods came to notice in the Settlement, affecting a total of 28,227 hands. In the Settlement, two concerns employing 49 workers reopened and three concerns with a complement of 650 increased their working periods. Six concerns in Chinese controlled territory employing 2,185 hands reopened in June. During the month, two silk filatures in the Settlement continued operations with a complement of 860 hands. Of the fifty-one filatures in Chinese controlled territory, which ordinarily emloy some 23,644 workers, twenty-seven filatures operated with a complement of 11,694 hands, as compared with twenty-one filatures employing 9,430 hands working in June.

Complicated S. M. R. Finances and North China Policy Respcnsible for Matsuoka Choice

THE South Manchuria Railway, half of the stock of which is owned by the Imperial Japanese government, had about 650 miles of tracks prior to the Japanese seizure of China's northeastern provinces in the fall of 1931. As the Kwantung branch of the Imperial army burrowed deeper and deeper into Manchuria the trackage of the S. M. R. rapidly increased because as the Japanese army confiscated the Chinese owned lines they were handed over to the S.M.R. to operate. Then as the army needed new railways in its adventures toward the Russian, Mongolian and Chinese borders, the construction contracts were always handed over to the S.M.R. As a result of the military expansion the S.M.R. grew like a tropical plant, sending out shoots in all directions. When the Imperial army moved south across the Great Wall into North China early in 1933, the S.M.R. followed along and took over the operation of the former British-financed, but Chinese-operated Peiping-Mukden line, the Chinese authorities giving the action their approval in the Tangku Truce, a disastrous agreement which has permitted this Japanese government controlled "octupus" to extend its tentacles into North China. When the Japanese extended their military activities into North Manchuria they ran into the Soviet government-owned Chinese Eastern railway and immediately there was a Japanese demand to seize it as they had done the Chinese lines. But the presence of a large Soviet army on the Siberian border caused the Japanese warlords to be more cautious in this instance; hence they were finally compelled to purchase the C. E. R., a bitter pill for the military to swallow and a difficult proposition for the S.M.R. to finance. As a matter of fact they have not yet been able to sell sufficient bonds to reimburse the Yokohama Specie Bank which made the initial payment from its London reserves.

In 1931, the year of the Manchurian occupation, the S.M.R. lost money because of its inability to compete with the Chinese-owned railways built by the late Marshal Chang Tso-ling and his son Chang Hsueh-liang, former heads of the Chinese administration in the northeastern provinces. It was this element, plus Chang Hsueh-liang's action in constructing a new port at Hulutao which threatened to break the Japanese political-economic monopoly at Dairen that precipitated the Manchurian crisis. As the S.M.R. was controlled by the government it had always served as a source of political graft by the large political parties. Whenever funds were needed for elections or

other purposes in Japan, the politicians always went to Dairen and returned with fat pocket-books. The S.M.R. also maintained a "slush-fund" for subsidizing newspaper correspondents of various nationalities and on one or two occasions it even went to the extent of financing "friendship" visits on the part of American newspaper editors to the Far East. Whenever there was a political change in Japan this was followed by a complete shift of officials on the S.M.R., the number sometimes running as high as 3,000. Any Japanese, particularly if he happened to be a friend of the ruling premier, or some S.M.R. director, could obtain S.M.R. financial backing for engaging in some manufacturing or other enterprise in Manchuria, which policy was largely responsible for the S.M.R's. ownership of some 70 auxiliary enterprises, many of which were not even distantly concerned with the operation of the transportation organ.

Since the Kwantung branch of the Imperial army was stationed in South Manchuria for the purpose of protecting the S.M.R., the officers, all of whom were poorly paid, were resentful of the political graft which was prevalent in the S.M.R. administration. Therefore, after the seizure of Manchuria in 1931, which greatly increased the power of the army, the military leaders set about obtaining control of the railway which they were obligated to protect. After considerable political maneuvering they succeeded in accomplishing this objective through the creation of a so-called Cabinet "council" which decided railway policies and reports to the Premier and Minister of War without reference to the politicians who control the parties. But while this eliminated the graft on the part of the political parties it has led to other abuses because the railway, now completely dominated by the Kwantung branch of the army, has been compelled to engage in projects of a military nature which could not, by any possible stretch of the imagination, be commercially successful. In order to finance these activities the capitalization of the railway has been expanded from less than 500,000,000 yen in 1931 to 800,000,000 yen at the present time. Including the former Chinese-owned railways which it manages and the new lines which have been constructed, plus the C. E. R. and the Peiping-Mukden line, the S.M.R. has now been expanded to some 7,000 miles. But thanks to the monopoly which it now enjoys as a result of the action of the Kwantung army, its credit is still good and little trouble is experienced in floating new bond issues in Japan. The assets are now listed at Yen 1,811,202,415 and despite losses by many of the subsidiaries the railway itself last year showed a profit of Yen 83,180,924 and after paying 4.43 percent on the government's shares and 8 percent on those held by the public, it put Yen 12,649,602 into the current year's accounts.

As yet there has been no complete explanation of the real causes behind the Army's action in dropping Count Hayashi and appointing Yosuke Matsuoka as president of the S.M.R. Popularly the action was thought to have been taken for two reasons, the carry out the Army's demand that all auxiliary commercial organizations be divorced from the railway and made to stand on their own feet as independent enterprises and second; to enable the S.M.R. to expand its activities into North China, a policy which apparently was opposed by Count Hayashi and the previous board of directors. Shortly following the recent Japanese "drive" into North China it was reported that the S.M.R. would shortly take over the management of all Chinese railways north of the Yellow river and in addition would form a 700,000,000 yen subsidiary corporation for pushing enterprises which the military authorities desired to develop in the northern Chinese provinces. Count Hayashi, the previous president, is supposed to have opposed the formation of the North China corporation as it was contrary to the policy which the Japanese warlords were trying to force the railway to adopt in Manchuria, otherwise the elimination of auxiliary enterprises. Since Matsuoka was responsible for Japan's "walk-out" at Geneva and ensuing resignation from the League over the Manchurian issue, it was natural that the Kwantung army leaders should turn to him for carrying out their ideas with respect to the reorganization of the S.M.R. Matsuoka has long been associated with Japanese imperialistic activities on the continent. After serving as a secretary in the Japanese Legation at Peiping and as consul-general at Shanghai he resigned to become a director and vice-president of the S.M.R. In 1932 he was sent to Shanghai as the personal representative of the then Premier, Inukai, to help unscramble the mess following the disastrous Japanese military intervention here. Shortly afterward he was sent to Geneva, where, as stated, he was responsible for "walking Japan out of the League," following the vote of some 50 nations in opposition to Japan's adventure. Since his return from Geneva, Matsuoka has devoted himself to a campaign favoring the abolition of all political parties and the creation of a fascist regime, a campaign which has received the fullest possible support of the military clique and reactionary societies.

Since the foregoing paragraphs were written copies of Japanese newspapers have reached Shanghai giving further reasons for the appointment of Matsuoka as chairman of the S. M. R. While most of the papers state that the object was to bring about closer coordination of the activities of the Kwantung army and the railway and the development of an even stronger Japanese policy toward China, the *Nichi-Nichi Shimbun* maintained that the real reason was concerned with the serious complications which exist in the railway's financial structure. These complications, according to the Tokyo paper, extend further than the railway's finances but involve the whole question of Japanese investments in the Manchurian provinces since the occupation in the fall of 1931. According to this paper Japanese investments in the former Chinese provinces since the military occupation now exceed Yen 600,000,000, most of

which was advanced through the railway. These investments have been under two headings, the increase in the Railway's capital from Yen 440,000,000 to yen 800,000,000 and though the sale of S. M. R. bonds. At the end of the first six months of the present year the amount of debentures sold by the S. M. R. had reached Yen 537,000,000 and if the new bonds now in process of issuance are added the Railway will be within Yen 200,000,000 of its legal limit to float bonds. In view of the fact that the Japanese government is not now in a position to supply new capital to the Railway, the suggestion has been made that the capital of the company be doubled, that is, increased from its present capitalization of Yen 800,000,000 to Yen 1,600,000,000. Count Hayashi, the former president, had suggested that the legal limit on the railway's ability to issue bonds (twice the amount of paid-up shares) be eliminated. This proposal was said to have the support of certain capitalists, but generally the leading financiers have grown skeptical about the vast amounts of Japanese capital which have been dumped into Manchuria and particularly so at the present time when the Army is demanding the expenditure of still further large sums in North China. In view of the fact that Matsuoka is supposed to be more skilled in the political affairs of Manchuria and North China than was the case with the previous chief executive, it was decided to make the change. Matsuoka's selection was dictated by Premier Okada, Gen. Jiro Minami, commander of the Kwantung army and Gen. Senjuro Hayashi, president of the Manchurian affairs bureau in the Cabinet. For these reasons it was thought that Matsuoka's appointment would lead to more positive policies due to the fact that decisions on policy could be "made on the spot" in Manchuria without constant reference to Tokyo. It was claimed that Matsuoka, while approving the policy of divorcing the railway from commercial and industrial enterprises in Manchuria, is, nevertheless favorable to an expansion of the Railway's activities in North China.

Advice to New S. M. R. President by Loving Shanghai Friends

The following are the concluding paragraphs of editorial articles referring to the appointment of Yosuke Matsuoka as chairman of the South Manchuria Railway, which were written by two British editors in Shanghai, H. G. W. Woodhead, editor of *Oriental Affairs;* and E. A. Nottingham, publisher of the *Shanghai Times*:

"BIG JOB" SAYS WOODHEAD

"He (Matsuoka) now returns to a former sphere of activity with enhanced power, and responsibility. For the South Manchuria Railway Company of today is an enterprise of very much greater scope than it was when he was Vice-President. It has been entrusted with the operation of the entire Manchurian railway system. And it is generally believed that it is about to extend its economic activities inside the Great Wall, though the Finance Minister of Japan, and the Minister of War are both credited with the view that extreme caution should be exercised in launching new intra-mural undertakings. .....Mr. Matsuoka therefore becomes the head of what is one of the largest business and transportation concerns in the world, and one which will become of even greater importance as it develops and improves the Manchurian Railways system—including the former Chinese Eastern Railway. Whether the Company will seek to expand its activities inside the Wall, has yet to be seen. It would seem to have quite enough on its hands for the moment within Manchukuo territory. Mr. Matsuoka's appointment is welcomed both by the officials of the Manchukuo Government to whom of course, he is well known, and by the Japanese Ambassador (General Minami). The latter, in fact, is reported to have sponsored his selection, and to have offered him the additional post of Adviser on Diplomatic Affairs. Close and friendly cooperation between the Board of Directors of the South Manchuria Railway, and the Japanese military, therefore appear to be assured. Anyone who knows Mr. Matsuoka, however, will scout the notion that he will become the mere tool of the militarist element. He has never shown any reluctance to state his own views, forcibly and frankly. And there is no reason to suppose that he will adopt a passive role when he takes up his new and responsible appointment."

"OK" SAYS NOTTINGHAM

"At present, we are in the dark is to what lines it is proposed to lay down for the economic development of North China. Both Mr. Takahashi, Japanese Finance Minister, and Count Hayashi himself, have urged caution. Mr. Takahashi says careful surveys must precede any positive developments and these must show that the projects can be confidently undertaken with an assurance that they will pay. He points out that there is need for extreme caution before the S. M. R. launches any new undertakings; the company is essentially a profit-making concern, and although it may be unavoidable for the parent firm to support its existing subsidiaries, it should be careful with future schemes. These warnings are perhaps useful in view of the fear that the desire of the Kwantung army to begin developments in North China may lead the S. M. R. to undertake some rash experiments, although with a man of the calibre of Mr. Matsuoka at the head of affairs we imagine nothing will be attempted unless there is a real conviction that the prospects are sound for the future. Whether it is intended that developments shall be joint Sino-Japanese undertakings or purely Japanese is another interesting question which is being freely asked. The suggestion for a systematic economic development for North China is a good one as far it goes but it is obvious that its success must depend very largely on the attitude of the Chinese Government and public. Unless there is co-operation, and very definite co-operation, it is not easy to see how much progress can be made. We notice that Mr. Funatsu, (Chairman of Cottons Mill Owners' Association) who is now on a visit to Tientsin, is complaining of the Chinese Government's tariff policy with regard to raw cotton which is reducing the export of Japanese mills in China. If undertakings already established are suffering in this way it would appear most desirable that a very detailed understanding should be entered into with the Chinese authorities before fresh enterprises are equipped. If Japan is able to go ahead with the economic development of the North it will be a notable achievement—but this is a question on which we are prepared to accept the advice of "wait and see."

Japanese Warlords Assert Sovereignty Over Five Provinces of North China

THAT sovereign control in North China no longer rests with the Chinese authorities but has passed to the Imperial Japanese army was definitely indicated in the latest developments in the Peiping-Tientsin area. A full account of these developments appears elsewhere in this issue of *The Review*, but briefly they include the detention within the Japanese Embassy at Peiping of a Chinese official and the demand that other Chinese allegedly involved in the assassination of another Chinese official within the demilitarized zone *be handed over to the Japanese military for punishment.* Then there were the demands lodged with Wang Ke-min, acting chairman of the Peiping Political Committee that the demilitarized zone be separated from the administration of the Hopei provincial government and that a new administration be created for the five provinces of Hopei, Shantung, Shansi, Chahar and Suiyuan. A further incident potent with significance was the visit of the Japanese military attache, in a Japanese military plane, to Paotingfu, capital of Hopei province, located more than 100 miles south of Peiping, and his later visit to Taiyuanfu, capital of Shansi, where he outlined Japanese plans for the creation of a new government in the North.

While the National Government at Nanking was raising objection to plans of American and British civilian aviation concerns to obtain landing rights in China so as to bring China within the scope and benefits of international air-travel and communication, Japanese military planes were flying at will all over North China and establishing regular military services connecting that section with the puppet state of Manchukuo.

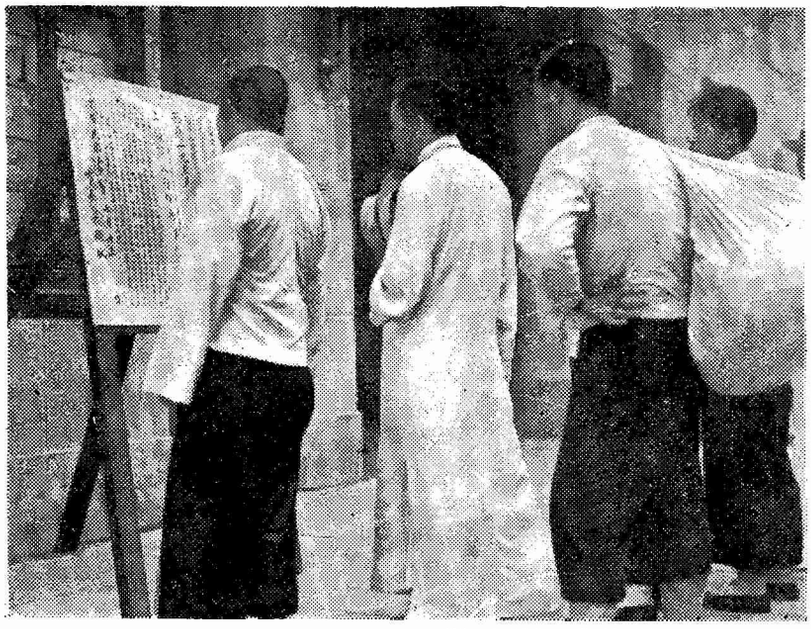
Then, if further evidence is needed, was the report published in Tokyo on July 29 that the Japanese military authorities in North China had invited Gen. Yen Hsi-shan, chairman of the Shansi provincial government to come to Peiping to organize a new government embracing the five northern provinces. The report stated that Gen. Yen had declined the invitation, but this doesn't mean that the Japanese warlords do not intend to carry out the scheme, which was described as a plan to eliminate the influence of the National government in Hopei, Shantung, Shansi, Chahar and Suiyuan. The Japanese report stated that in the event of Gen. Yen's continued refusal "to realize the significance of the new political situation created in North China," it would be necessary for the Japanese to place an influential Chinese civilian at the head of the "proposed North China bloc."

HOW DARE YOU?

—*Philadelphia Evening Bulletin*

That events of tremendous importance are taking place in North China, the significance of which seemingly are not realized elsewhere, are indicated in further reports appearing in the Japanese newspapers. On July 28 the Tokyo newspapers gave prominence to dispatches from Peiping quoting Japanese military officials to the effect that Japanese residents of the northern Chinese provinces are to be given "more privilileges, including business and residential rights, as a result of the recent improvement in Sino-Japanese relations." Major Tan Takahashi, Japanese military attache in Peiping declared in this connection that the rights hitherto enjoyed by Japanese have been "inadequate and therefore unsatisfactory; hence the projected expansion will permit greater scope for residing and engaging in trade " Then there was the further report

that Wang Ke-min, head of the Peiping Political Committee would shortly convoke a conference of North China leaders for the purpose of discussing measures "for the improvement of Sino-Japanese relations." This conference, obviously inspired by the Japanese military authorities, will include the chairmen of the North China "bloc,"



—*North China Daily News Photo*

Chinese residents of the International Settlement reading the official proclamation of the Executive Yuan of the National Government at Nanking warning them "to refrain from boycotting or making speeches and comments which will cause ill-feeling." The decree also pointed out that the adoption of an "intimate attitude towards friendly powers is of foremost importance;" hence no organization of an anti-foreign nature should be formed. This particular poster stands in front of the Central police station of the International Settlement on Foochow road. When the proclamations were originally posted in the Chinese Municipality an attempt was also made to put them up in the Settlement, but the authorities objected. Later, however, the Municipal Council changed its attitude and permitted them to be put up in the Foreign Settlement, this being the first time an official order of the local Chinese Municipality was ever posted in the foreign settlement.

Hopei, Shantung, Shansi, Chahar and Suiyuan. Others to which invitations already have been issued include the financial leaders and presidents of the large universities. Special emphasis will be placed on Sino-Japanese economic cooperation and the development of joint industries. *The Nippon-Dempo* report referring to the plans for the conference added as an afterthought that projected Sino-Japanese cooperation in the North "must be on a basis of equality with the interests of both parties fully recognized." Then followed this statement, "In addition to respect for mutual interests, the Chinese leaders hold that Sino-Japanese cooperation must be strengthened by a political agreement of some kind and that the Tangku truce must be altered *when its terms have been fulfilled by the Chinese, for it is liable to provoke popular sentiment in China unnecessarily.*"

By compelling the Chinese Government to remove all its troops from territories north of the Yellow river and dictating the appointment of all Chinese officials in that extensive area and assuming the right to approve or veto the actions of these officials the Japanese military authorities have created a situation which is only one step removed from outright occupation. While certain officials such as Gen. Han Fu-chu, chairman of Shantung and Yen Hsi-shan, chairman of Shansi still remain in their provinces, no one realizes better than they do that they cannot retain their positions without Japanese approval. Recently the *Shanghai Mainichi*, Japanese newspaper at Shanghai, in the course of a survey of conditions in the North declared. "Only Gen. Fu Tso-yi, chairman of Suiyan province, is still stubbornly carrying out his anti-Japanese activities; hence it is very difficult to foretell the future of North China." This statement constituted warning of further Japanese military activities westward from Chahar to the western end of the 600-mile Peiping-Suiyuan railway, which will bring both Chahar and Suiyuan and Inner-Mongolia into the sphere of Manchukuo. Further evidence of this early move is provided in the Japanese construction of a military airdrome at Kalgan and the propaganda in the Japanese newspapers about the alleged communist menace in Shensi and Shansi. In their present activities in North China, particularly in the selection of Chinese officials, they are following a definite policy of restricting appointments to Chinese who either received their educations in Japan or were affiliated in one way or another with the Anfu Clique which the Japanese subsidized and maintained in office in Peiping during the course of the World War. Japan's assumption of the right to dictate the appointment and dismissal (and punishment) of Chinese officials in North China is an obvious indication of an extension of Japanese sovereignty over these regions.

Whether the Chinese National Government at Nanking has, or has not, given official approval to these Japanese moves is not of fundamental importance. The important element is that Nanking has yielded to this Japanese assumption of sovereignty without offering military opposition. The fact that China has yielded without a struggle, plus the fact that citizens of China have accepted office under Japanese dictation and are cooperating with the Japanese in further plans for industrial and economic "cooperation" constitute the damaging elements in the situation from the standpoint of China's prestige as an independent nation. The last (July 1) issue of the *People's Tribune* contained a pathetic complaint at the habit of Japanese diplomats traveling about the world who deliver speeches and give interviews in which they refer to China as "disorganized," "impotent," "unable to manage her own affairs." It all serves to bear out the statement of Yosuke Matsuoka at Geneva that China was not an organized nation but merely

a "geographical expression," or words to that effect. One hears whispers in various quarters of plans for "opposing the Japs," but China's voluntary withdrawal, merely in the face of a Japanese military threat, has placed China at a disadvantage morally and strategically and at the same time has facilitated Japanese plans for outright military occupation at any time the commander of the Kwangtung army may decide to issue the order. All of northern China, and to a certain extent the lower Yangtsze valley have been set back politically and economically to the status which prevailed following the Boxer rebellion, the only difference being that Japan is now the taskmaster instead of a group of victorious Powers. Japan's announcement last year of her intention to assume complete economic and political domination of China is rapidly being put into effect. When announcement was made the other nations raised serious opposition, but they are powerless to do anything if China herself agrees to abrogate her own sovereignty and voluntarily places herself within the Imperial Japanese Empire. All that other Powers can do now is build up their military strength in order to protect themselves against the menace.

"Advice to Overseas Chinese"

To the Editor of the "China Weekly Review":—

Some editorial references to myself and *The People's Tribune* in the last issue of your journal prompt me to request the favor of an opportunity to reply thereto with the object of removing possible causes of misunderstanding on the part of your readers.

First of all, I would like to make it clear that the editorial views expressed in *The People's Tribune* represent my own opinions. Those views may be shared by others, including Mr. Wang Ching-Wei, but they are not to be taken as representing his opinion. You state that "special significance" attaches to a recent article entitled "A Message For Oversea Chinese" because *The People's Tribune* "is generally looked upon as the mouthpiece of Wang Ching-Wei." If there is a general impression to that effect, it is a general misapprehension, for the only opinions expressed in my journal which can be taken as representing the views of the President of the Executive Yuan are those published under his own name. For all other opinion (other than those expressed in signed articles) nobody is responsible but myself. Whether Mr. Wang Ching-Wei agrees with the views expressed in "A Message For Oversea Chinese" I do not know, but I do know that he did not inspire the article, see a proof of it, nor discuss the subject with me. That article represents my own views on the matter discussed, and for all I know may be quite contrary to Mr. Wang Ching-Wei's views on the matter. The point I wish to stress is simply that I alone am responsible for the contents of *The People's Tribune*, be they good, bad, or indifferent, and that the President of the Executive Yuan is in no way concerned with our expressions of editorial opinion and policy. He—as also many other national leaders—has on various occasions favoured us with his views on current affairs for publication, but in all such cases their names have been attached to the articles, and only when thus definitely labelled must anything appearing in *The People's Tribune* be regarded as representing their views.

The other point upon which I beg leave to take issue with you is your reference to "the example of Belgium in the World War, a small country, but a country of fighters nevertheless who never gave up, even when the German juggernaut had almost pushed them out of their country," and implying that China is forfeiting the world's respect by following "a policy of submission to Japan" instead of standing up and fighting for her right to national existence. In other words, you differ from me in thinking that the Chinese group in Geneva were right in urging the National Government to show a more aggressive attitude in resistance to Japanese demands. If you will permit me to say so, the analogy drawn between China's position today *vis-à-vis* Japan and that of Belgium in August, 1914 is a false one. That the people of that little country put up a gallant defence against overwhelming odds is freely admitted, but it must be remembered that Belgium could and did count upon active British and French support in resisting a much more powerful adversary, whereas China—when she resists Japan, as she did in 1931 and 1932—plays a lone hand, as she can look for no aid from anyone, not even to the extent of the operation of the "sanctions" specifically designed to meet such conditions as arose from out of the Manchurian "incident."

The Belgians had a very limited front to defend, but they defended it most gallantly, even though unsuccessfully—yet where is the comparison with China's position in resisting Japanese pressure? We have a frontier to defend extending for a thousand miles without a single fort to protect it; we have ports along the coast and up the Yangtze which are without adequate defences on land or sea; we have neither the men, material, nor money with which to wage war on modern lines—but Belgium was prepared for a struggle, and in making her gallant resistance was encouraged by the knowledge that the forces of Britain and France were being rushed to her aid. And Belgium was not weakened by internal strife, as China is by Communist activities.

To urge that a "more aggressive attitude" be taken by China in resisting Japan demands is like telling a very sick man to leave his bed and engage in strenuous exercise—at the risk of dropping dead from heart failure. Mr. Wang Ching-Wei has more than once answered those critics who complain of the "weak" policy of the National Government in dealing with Japan. Let me quote a few words from an article appearing in *The People's Tribune* of March, 1932 under the title "The Meaning of Armed Resistance," in which the President of the Executive Yuan made it clear that such slogans as "Storm unto Tokyo!" and

"Mobilize the Whole Country!" were nothing more than empty talk. "We know full well that we cannot with advantage undertake offensive operations, but equally we know that on the defensive we can resist with a fair measure of success." It was not suggested, in the "Message For Oversea Chinese," that China should not in any circumstances offer resistance to Japanese aggression. Mr. Wang has repeatedly said it were better to die as jade than live as clay, and with that view I agree, but this does not mean that a "more aggressive" attitude should become the accepted policy of the National Government in its dealings with Japan. In my opinion—and I repeat this is my personal view and has no "special significance" because I happen to be Editor of *The People's Tribune*—it is much better for China to avoid provocation which would bring the full power of the colossal Japanese military machine into operation against us, and therefore it is my opinion that the policy followed by the National Government is the best in the given circumstances —without deprecating the sincerity and patriotism of the oversea Chinese who may feel impatient at the apparent inactivity of the Government which not only has to deal with external pressure but also has to guard against disruptive influences within.

TANG LEANG LI
Editor of *The People's Tribune.*

Shanghai, August 6.

Japanese Government Issues Ambiguous Statement on Minobe's "Organ" Theory

THE controversy that is raging in Japan over the thesis of Dr. Tatsukichi Minobe to the effect that the Emperor is not the State, but only one of its organs, relates to a theory which was never better expressed than by Louis XIV ("the Grand"), who declared, *L'Etat c'est moi* ("I am the State"). But whereas the ruler of France in the Seventeenth Century was a forceful personality who tried his best to live up to the declaration he made, the situation in Japan is that the Emperor himself generally keeps in the background while the ruling classes of the country use his name to impress the masses as they blithely go along directing the government machinery themselves. The situation in Japan in this respect was succinctly put by Harold S. Quigley in a recent address in the United States, extracts from which appear on Page 385 of this issue of *The Review.*

The discussion of this matter of the status of the Japanese Emperor has become an object of such frequent attention of late that to others than Japanese it must become somewhat monotonous, except insofar as it tends to furnish matter for the gayety of nations—the recent cartoon printed by *Vanity Fair*, a monthly journal published in a lighter vein in New York City furnishing a case in point. That the ruling classes in Japan themselves feel that this matter of the status of the Emperor must be handled very judiciously was made evident by the fact that the recent statement issued by the Japanese Cabinet was not only very brief, but also, taking into consideration all the hubbub that the discussion on this point had engendered, very mild.

No official translation of the Home Office statement on the so-called "Minobe theory," issued on Aug. 3 has so far come to hand, and the resume of it given herewith is collated from three sources.

According to *Rengo*, the Government declared that,

> The nation's sovereignty rests with the Emperor and that any assertions to the contrary run counter to "the national polity, without compare in the countries of world." The pronouncement recalled that Emperor Meiji in his Rescript granting the Japanese people a Constitution declared that the great right to rule over the country " was received by us from our ancestors and shall be handed to our descendants" and pointed out that Article I of the Constitution states that "The Empire of Japan shall be reigned over and governed by a line of Emperors unbroken for ages eternal." After condemning the views running counter to these declarations, the pronouncement regretted the recent discussion of national polity in connection with constitutional theories. It concluded by asking for the support of all sections of society in carrying out the clarification of national polity "and exalting its glory."

Reuter's account of the Government declaration said,

> "It condemned a liberal interpretation of the Imperial constitution, clarified the national polity of Japan in clear-cut terms; and urged the nation to unite in enhancing the essence of a unique national polity. The statement emphasized the Divine right of the Emperor and referred to the command issued by the Sun Goddess to her grandson 'on the latter's advent to Japan from Heaven' that Japan be ruled by an unbroken line of emperors."

The *Japan Advertiser* of July 29, in discussing what action the Government would take, said,

> "Though the military is counting on having the statement uproot the theory of the Emperor as an organ of the State advocated for the past 30 years by Dr. Tatsukichi Minobe, a member of the House of Peers and formerly a professor of constitutional law at Tokyo Imperial University, the Government is greatly worried about the difficulty of making clear exactly what is meant by the Minobe theory."

The Japanese telegrams emphasized that the point at issue concerns *polity* (the form of constitution or government of a State) and not *policy* (method of procedure).

The *Tokyo Hochi* of Aug 2 (the day before the Government issued the statement) said it would be to the following effect:

1. The national polity of Japan is incomparable in the world and the spirit of national construction remains unalternably for ages eternal. It is regrettable that in interpretation of the Constitution a theory likely to cause doubt contrary to the fundamental principle of Japan's national polity should prevail.

2. The Government following its installation determined to thoroughly clarify the national polity, suppressed or ordered revised the books on the Constitution which it had recognized improper and effected the shift of scholars who were in the chairs on the Constitution.

3. The Government hereafter will redouble its efforts for clarification of national polity, determined to exterminate the organ theory, believing that such a theory as to regard the Emperor as an organ is incompatible with the faith of the people.

Rengo stated that the draft statement, which was prepared by Takesuke Shirane, Chief Secretary of the Cabinet, reportedly had complied with the demands of the War and Navy Offices for the condemnation of the thesis, advanced by Dr. Minobe. However, a *United Press* telegram from Tokyo on the day the statement was issued said that although the Japanese Army is satisfied with the form of the Government's statement that sovereignty rests solely with the Emperor, General Senjuro Hayashi, Minister of War, indicated that military officials would maintain vigilance to prevent further incidents similar to publication of Dr. Tatsukichi Minobe's book, in the future.

Dr. Minobe, a former member of the House of Peers and a wellknown lecturer on constitutional law, in his book advanced the theory that the Emperor was an organ of the state, rather than the state itself. Following publication of his theory, which aroused a storm of protest throughout the country, Dr. Minobe was deprived of his posts as lecturer at several Japanese universities. The question of whether Dr. Minobe is to be prosecuted has not been decided. The Government's pronouncement failed to mention Dr. Minobe's theory specifically, contenting itself with a general enunciation of doctrine, but the anticipated opposition of the Army and Navy to the alleged vagueness of the pronouncement failed to develop.

On the very day that the Japanese Government issued its statement, an incident occurred in the United States which once more brought the whole subject prominently to the fore. *Vanity Fair* published a cartoon by William Gropper, in which, under the caption "Unlikely Historical Situations," the Emperor of Japan was depicted dragging a gun-carriage on which was mounted a rolled certificate bearing the inscription "Nobel Peace Prize." On the same page of *Vanity Fair* on which the offending cartoon was depicted there were also the following: Admiral Byrd Winters in Tahiti, J. P. Morgan Becomes a Soap-box Orator, William Randolph Hearst Is Appointed Ambassador to the Soviets, and Huey Long Enters a Monastery—all labelled as "highly unlikely historical situations."

As a result, the sale of the August issue of said magazine was banned from news-stands in Japan on the ground that the cartoon was derogatory to the Emperor of Japan. The caricature stirred the indignation of the Japanese Embassy in Washington to such an extent that Ambassador Saito announced that he would interrupt his summer vacation for the express purpose of returning to Washington to protest to the Secretary of State, Cordell Hull. In an official statement regarding the question the U. S. State Department said: "The Secretary, (Mr. Hull) in reply to representations relative to material in the current issue of the periodical referred to reported that the statement of the publisher denying any intent to give offense was sufficient." "The Secretary," the statement continued, "said he was always sorry when such incidents are taken amiss." The American officials also pointed out that there is no press censorship in the United States.

The resentment of the Japanese was not directed against the joke about the peace prize, but to the fact that the Emperor is shown engaged in what is considered to be the menial occupation of pulling a gun-carriage.

Ambassdor Saito also complained about the "bad taste" shown by the same publication in reproducing a photograph of the Emperor and Empress of Japan amongst other prominent persons having children in the year 1934. The group of famous parents included Mr. and Mrs. Oliva Dionne, father and mother of the Dionne quintuplets. Japanese Embassy officials said that the picture was perfectly proper but the caption, indirectly connecting the Imperial birth with other births, was in bad taste.

The editor of *Vanity Fair* commented: "In the United States, we know how to take caricatures at their right value. The very character of our publication should suffice to dissipate all susceptibilities. We published dozens of caricatures of Roosevelt and the President always received them with a smile and bought a large number of our magazine's copies for distribution among his friends. In a serious review, however, the caricature we published might perhaps give cause to objections." Mr. Gropper said that he "intended to inveigh against Japanese imperialism regardless of Japanese feeling in the matter. The Emperor ought to see others I have done and am doing. Several countries, including Germany, have outlawed publications using my work. I am grateful to Japan for giving class to the list of objectors to my work, which now consists of one Labor leader, several capitalists, and one Emperor."

The *Washington Post* observed that the protest by the Japanese Ambassador had resulted in the reprinting of the cartoon all over the nation, whereas, in all probability, scant attention would have been paid to it if the protest had not been lodged.

So far as the Japanese attitude on foreign comments on the status of the Emperor, and pictures or cartoons involving his personality are concerned, it comes to this: The Japanese expect American (in common with other non-Japanese) journals to be less critical concerning matters abroad than they are concerning matters at home; and, whereas the President of the United States must stand it while cartoonists lampoon him unmercifully, the Japanese Emperor is not to be touched by the cartoonists, because he is "sacred."

War and Navy Demands Worry Japanese Finance Minister

Decisions vitally affecting the budgetary battle between the Exchequer and all the other departments of the Governments were generally expected to be reached at a conference of high officials of the Finance Ministry, to be called at Hayama on Aug. 9. The meeting, to be held in the residence of Mr. Takahashi, Minister of Finance, who is spending his summer vacation there, will decide on the basic principles governing the allocation of funds to the various Ministries in the 1936-37 budget. The 81-year-old Finance Minister has reportedly indicated that he will follow closely the decisions of the conference, whose main aim will be to reduce Japan's budgetary deficit. Demands made by various Ministries for appropriations for new enterprises are said to be the Exchequer's main source of worry

Financial circles in Osaka believe that the Exchequer will once again be forced to resort to the issuance of red-ink bonds, equalling if not exceeding this year's amount—Yen 700,000,000.

Japanese Navy Asks For Yen 712,000,000

A total of Yen 712,000,000 was asked by the Japanese Imperial Navy for the 1936-37 expenses in a draft estimate forwarded to the Ministry of Finance July 31. Of this amount Yen. 310,000 - 000 was for extraordinary expenditures.

In revealing that the estimates were forwarded to the Exchequer for approval, officials of the Navy Office declared that the draft included only items that were "absolutely indispensable." This year's naval appropriations totalled Yen 510,000,000.

The total appropriations for national defense asked by the two military offices will thus reach Yen 1,370,000,000, out of a budget which is expected to be in the neighborhood of Yen 2,200,000,000.

The estimates do not include Manchurian expenditures, which will probably amount to Yen 150,000,000. This figure, the War Office authorities believe, is flexible, and subject to negotiations with the Finance Minister, but the estimates include appropriations for air defence and war material replenishment.

Japanese Army Wants Yen 600,000,000 Apart from Manchurian Expenses

"Emergency conditions" will also be given by the War Office as the reason for its increased demands, which will range between Yen 660,000,000 and Yen 670,000,000.

This year's appropriation for Army's needs totalled Yen 491,000,000, but the War Office is insisting on larger allottments in the coming period, in view of the "troubled international situation."

The proportion of military expenditures to the total budget has grown from 27 per cent in the 1930-31 fiscal year, which preceded the Manchurian Incident, to 46.6 per cent for the current period. Although the entire budgetary outlay has increased since 1930-31 by 37 per cent, the portion allotted to military expenditures has grown by 130 per cent.

Japanese Foreign Office Seeks Funds To Boost Japan's Foreign Trade

More than Yen 20,000,000 will be sought by the Japanese Foreign Office for spending during the next fiscal year in promoting Nippon's trade abroad. This was revealed August 1, when the Gaimusho filed with the Ministry of Finance draft estimates for the 1936-37 period amounting to Yen 49,840,000, or Yen 20,190,000 more than what it is spending this year. Increases of Yen 8,360,000 in ordinary and or Yen 23,500,000 in extraordinary expenditures are provided for in these tentative appropriations. Of the latter sum, Yen 20,170,000 is earmarked for promoting trade facilities and to increase the personnel in Japanese diplomatic and consular establishments abroad. This includes Yen 400,000 for the expansion and elevation in rank of the Gaimusho's Bureau of Commercial Affairs and Yen 880,000 listed as "funds for trade promotion purposes." Increases in the personnel of the Foreign Office are estimated to cost Yen 290,000 while those among the officials of establishments overseas are expected to cost Yen 1,600,000. The cost of improving the buildings for the Japanese Embassy to China in Nanking are included in the Yen 1,680,000 estimate for structural purposes, while Yen 2,500,000 have been tentatively set aside for miscellaneous extraordinary expenses; Yen 6,990,000 for sums spent in connection with the Manchurian Incident; Yen 3,740,000 for welfare work among Japanese abroad and Yen 1,500,000 for those who suffered property damage in the Nikolaevsk and Ohkotsk Sea disturbances during the Russian revolution and in China.

Alleged Authors of Sub-Rosa Japanese Army Pamphlet Discharged

The two Japanese officers, Captain Koji Nakamura and Paymaster Captain Asaichi Isobe, who are alleged to have written and distributed a sub-rosa pamphlet assertedly exposing plots involving insubordination among Military Academy cadets, were stricken off the rolls and simultaneously ordered to give up their court rank, August 2.

Japan to Honor Lafcadio Hearn's Memory

The memory of Lafcadio Hearn, a son of a Britisher and a Greek woman, who, after years of journalistic work in the United States and the West Indies, became a naturalized Japanese and wrote number of books that marked him as the greatest foreign interpreter of Japan, will be honored in Tokyo on the thirtieth anniversary of his death, September 27.

Japanese Home Office Bans "Vanity Fair"

The August issue of the *Vanity Fair* has been banned by the Japanese Home Ministry, on the ground that the publication contained drawings and printed material offensive to the Imperial House. At the same time the Foreign Office issued instructions to Hirosi Saito, Japanese Ambassador to Washington, to bring the objectionable matter to the attention of the State Department. The steps were taken after a conference between the Gaimusho officials and the authorities of the Censorship Bureau of the Home Office.

Modification of Japan Oil Law Seen

Partial modification of the Petroleum Industry Law, which has been vigorously opposed by Japanese and foreign oil firms operating in Japan, is indicated in recent telegrams from Tokyo. Chuji Machida, Minister of Commerce and Industry, stated Aug. 1 that he realized that the provision for the unconditional storage of a six-and-a-half months stock by the oil firms was unfair. He made this statement at an informal conference attended by the Premier, the Minister of War, Navy, Finance and Foreign Affairs.

Representatives of the oil companies have consistently argued that the storage requirement was unfair, in that the firms were in no way compensated for the expense incurred in expanding their storage facilities. Moreover, Japanese concerns had difficulty in raising the necessary funds to carry out these improvements.

Scores of Prospective Immigrants Stalled, as Brazil Forbids Further Entries

Several hundred prospective Japanese emigrants to Brazil were stranded in Kobe Aug. 5 as the Consulate-General of Brazil announced that no more passport visaes would be granted for the time being. While the Brazilian Consulate-General officials announced that they were acting on instructions from Rio de Janeiro and had no explanation to make, shipping company employees recalled that the Brazilian quota for Japanese was set at 2,849 when the new constitution was adopted in June last year.

Examination of Six Leading Banks Being Carried Out by Finance Ministry

The Finance Ministry beginning of this month notified the Mitsui Bank and Mitsubishi Bank that it would conduct official examinations of these banks and then immediately started work on the examination of the banks' books. The bank examination by the Finance Ministry has been strictly conducted ever since the financial panic of 1927. The examination had been conducted previously on virtually all provincial banks, and now the authorities have to get through with the six leading banks, that is, Mitsui, Mitsubishi, Daiichi, Yasuda, Sumitomo and Sanwa. The examination extends to the past eight terms (four years), and concerns itself with inquiry into the books, assets, use of capital, disposition of profit, loans, redemption in arrears, etc. of the banks concerned. The examination will reveal the circumstances prevalent during he eventful period of 1931 and 1932.

Japan-America Cable Rates to Be Reduced

A reduction in the cable charges on messages between Japan and the countries of North and South America, with the sole exception of Mexico, has been secured by the Ministry of Communications after prolonged negotiations with the foreign telegraph firms concerned. The new rates will be 50 centimes per word for messages to North, South and Central America and west Indies. The fee to San Francisco will be 40 centimes, while the charge per word for messages to Oahu, H. I., will be 34 centimes. The reduction is expected to result in an annual saving of Yen 500,000 to the Japanese users of the service.

*
**

Pan-Pacific Educational Conference Opens in Tokyo

A large group of Japanese notables, led by Premier Okada, welcomed the educators of 13 nations bordering on the Pacific Ocean to the Pan-Pacific New Education Conference which opened in Tokyo, August 1. The opening address of the conference was read by Prince Tokugawa, honorary chairman of the function, followed by speeches by the Premier; Koki Hirota, Foreign Minister; Genji Katsuda, Minister of Education; and Count Aisuke Kabayama, Director of the International Cultural Association. Miss Helen Parkhurst, American delegate, world-renowned as the originator of the Dalton plan of education, responded for the visitors.

The conference was attended by representatives from China, Manchukuo, the United States, Canada, the Philippines, French Indo-China, India, Mexico, New Zealand, Australia, the Dutch East Indies and Siam.

Japanese Cabinet to Discuss Extrality in Manchukuo

Japan's relinquishment of her extraterritorial rights in Manchukuo and the transfer of administrative rights within the South Manchuria Railway Zone to the new State were scheduled to be discussed by the Cabinet at its meeting on August 8. The two issues will be taken up simultaneously, because of the belief that the two are closely interconnected.

The rendition of rights will be gradual, Manchurian Affairs Bureau officials told *Rengo*, with the taxation privileges to be the first transferred to the Hsinking Government. This step will be followed by the transfer of police authority in the zone, to place the Japanese residing within the area on the same footing as the Japanese living in Manchukuo proper.

B.A.T. Man's Arrest in Manchukuo is Brought Before House of Commons

The case of J. G. Mason, a British subject in the employ of the British American Tobacco Company, arrested and later released by the Japanese police in Manchukuo, was brought before the House of Commons by a Conservative member August 2, who asked the Foreign Secretary for details in the matter of Mason's arrest. "Mason was arrested by the Japanese Police in Hsinking on June 20 during a disturbance, and kept in custody until July 2. During the period of his detention, he seems to have suffered severe treatment and to have been refused permission to comunicate with the British Consul-General in Mukden," Sir Samuel Hoare stated. Representations have been made to the Japanese authorities in Manchuria by the Consul-General, and our Ambassador in Tokyo has taken the matter up with the Japanese Government", he added.

Manchurian Bureau Councillors Discuss Extrality Issue

Councillors of the Manchurian Affairs Bureau were summoned Aug. 5 to discuss a set of proposals submitted by Gen. Senjuro Hayashi, president and concurrently Minister of War, for the abolition of Japanese extrality in Manchukuo and the reliquishment of sovereignty over the South Manchuria Railway Zone. The proposals were unanimously approved after an hour's discussion and will now be referred to the Cabinet for official Government endorsement.

Manchukuo Mining and Mine Taxation Laws Promulgated

The Manchukuo Mining and Mine Taxation Laws were promulgated in Hsinking, Aug. 1. The former statute unifies the provisions under which mining concessions are granted. Hitherto, these rules varied according to provinces. The Mine Taxation Law provides for levies on mining districts and on the products, and limits their amounts, which, also until now, varied widely.

Manchukuo Surveying Ships to Start Work August 10

Two new surveying ships, the *Hsinan* and *Hsinkai*, which were launched last month, were commissioned on August 10, for service on the Ussuri and Amur Rivers. The vessels will study the currents, install and repair beacons and chart channels.

Tokyo-Hsinking Trip to Take 36 Hours Under Proposed "Speed Up" Schedule

A 36-hour service between Tokyo and Hsinking, will be inaugurated in the near future by the Ministry of Railways in co-operation with the South Manchuria Railway Company. The new "speed-up" scheme provides for faster express service between Tokyo and Niigata, on the western shore of Japan; for 28-knot ferry ships between Niigata and Rashin, in Korea, and for fast train service from Rashin to the Manchukuo Capital. The trip under the proposed schedule will take 36 hours.

Manchukuo to Promulgate Patent Law in September

Preferential treatment will be accorded to the Japanese applicants for patent rights, while other foreign nationals will be treated on reciprocal basis in the projected Manchukuo Patent Law, which will be promulagted early in September to be enforced next January, according to a telegram from Hsinking Aug. 7. The special treatment of the Japanese applications will, be effective for a year from the date of enforcement.

***

War Minister Will Order Matsuoka to Study S.M.R. Reforms

A Tokyo message Aug. 3 stated that instructions to make a thorough study of the plans for the reorganization of the South Manchuria Railway will be issued to Mr. Matsuoka, the new President of the railway concern, by Gen. Senjuro Hayashi, War Minister, in his capacity as the head of the Manchurian Affairs Bureau. The instructions will be issued before the War Minister's departure for Hokkaido, on Aug. 12.

Mr. Matsuoka will not leave for his post in Dairen before August 20. This delay is held unavoidable as formal transfer of business from Count Hayashi to Mr. Matsuoka will not take place until August 15 at the earliest.

In an interview in Tokyo August 2 Mr. Matsuoka said that his main ambition in the new post will be to expand the activities of the S.M.R. "I am taking up my new duties, feeling that I am assisting in the activities of those who serve the national cause on the continent. I also realize my responsibilities, since the concern is now entering into a very important stage of its development," he said.

Mr. Matsuoka intimated that changes may take place in the policy of the S.M.R. in Manchukuo and north China by declaring that the company's concentration on the development of Manchurian industries was "a great mistake," and that more attention should be devoted to increasing the economic strength of the new State's farmers.

Concentration of energy on the industrial expansion "merely wastes Japanese capital, and definitely harms Japan's own industries, being at the same time of very little advantage to the Manchurian agriculturists," he said. The same situation, he added, holds true in the case of north China.

The S.M.R. should not "meddle in politics," Mr. Matsudaira declared, but should expend every effort to aid in the economic development of Manchukuo, devoting its energies mainly to the railroad business.

Mr. Takahashi, Minister of Finance, has added his voice to the opposition to hasty schemes for the projected economic development of North China by the South Manchuria Railway Company.

"Although I do not know what plans are afoot," the 81-year old statesman declared, "extreme caution should be taken by the S.M.R. before launching on new undertakings. The company is essentially a profit-making concern and although it may be unavoidable for the parent firm to support its existing subsidiaries, it should be careful with future schemes."

Takeo Kawagoe, assistant director of the Manchurian Affairs Bureau; Kanji Usami, a director, and Baron Kimmochi Ohkura, another director of the S.M.R., are prominently mentioned as likely candidates for the vice-presidential chair of the S.M.R.

Mr. Matsuoka, August 4 announced that he would continue his fight on all political parties, because such a movement is "political and is in the best interests of the state".

***

Why China Will Never Recognize Manchukuo

The *Editor, The China Weekly Review*—

If China had listened to the advice of Japan's friends, she would have long recognized the puppet state of Manchukuo. Fortunataly, however, she is still too decent, honorable, and self-respecting to be so easily fooled. If, as alleged, Manchukuo has come to stay, let it stay, but China can never approve it. That would be a great mistake, nay, it would be suicidal. If she could not recover it by force of arms, the least she could do is to keep silent, but Japan should understand that what is acquired by force can only be held by force, and that some day, that force, like all the mighty forces of old, will collapse because it is not founded on human justice and righteousness. As a matter of fact, if that force were taken away now, the so-called new state would return to China of its own volition or be re-conquered by the Chinese as it was once before.

The seizure of Manchuria is a theft plain and simple. Now when we are robbed, we either lock the thief up in the room and pound on his head, or, if he is able to escape, we have him arrested and brought to justice. We never completely exonerate him. In cases where the robber voluntarily returns the goods he has stolen, we sometimes let him go with a caution, especially if it is his first offence. There would be nothing easier for China to do than to recognize Manchukuo just as the Japanese and their friends would want her to do, but she could not do so without losing her face before the other nations and without prejudicing the welfare of her people. It would mean that she had accepted Japan's domination. It would ease Sino-Japanese relations somewhat, but would tend to increase international apprehension. It would bring about a temporary cessation of Japanese military activities in this country until such time as they could consolidate their gains when they would resume their onward march, first to North China, then to Central China, and finally to South China.

Japan can never justify her course in Manchuria. She can not say that she did it in the interest of universal good. China is not a backward country that needed to be colonized and exploited like the countries inhatited by the black races. She can not say that she went to Manchuria to establish peace and order, because if that was all she wanted, she should have left the country after she had accomplished it. It is a fault which she is making worse by an effort to justify it. Had she laid her cards on the table instead of seeking to justify her action on moral or economic grounds, she would have earned more respect from the other nations. Japan's action in Manchukuo is barefaced imperialism—an imperialism that aims not only at the conquest of all China but, as General Araki says, at the fusion of the East and West. The seizure was not an accident necessited by lawlessness and disorders. It is the overture or the opening number in Japan's program of the "holy task," as embodied in the now famous Tanaka Memorial.

Shanghai, Aug. 3, 1935 T. S. De Leon.

Chinese Official Detained at Japanese Embassy; Reorganization of North China Demanded

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Japanese Present Fresh Demands to North China Authorities.**
2. **Col. Liu Tso-chow of Peace Corps Assassinated at Luanchow.**
3. **Tao Shang-min of Peiping Council Detained in Japanese Embassy.**
4. **Col. Sakai Asks for Reorganization of North China Administration.**
5. **Gen. Yen Hsi-shan Rejects Offer as Head of North China Bloc.**
6. **China Has Paid Yen 1,300,000 on Seven Japanese Loans.**
7. **Bandits Become More Rampant in Demilitarized Zone.**
8. **Szechuan Communists Said Seeking Contact With Outer Mongolians.**
9. **Generals Chiang and Chang Confer on Situation**
10. **Reorganization of Nanking Government Foreasted After Plenary Session.**

Fresh difficulties have been caused between the Chinese and the Japanese authorities in North China as a consequence of the assassination of Col. Liu Tso-chow at Luanchow and the detention at the Japanese Embassy in Peiping of Tao Shang-min, formerly Administrative Inspector of the Luantung Area and now Counsellor of the Peiping Political Council. This development is of great significance, because it is the first time that the Japanese authorities have taken direct action and placed a high Chinese official under detention. In the meantime, the Tokyo War and General Staff Offices are discussing fresh measures to deal with the North China situation and have presented a set demands to the Chinese Authorities in regard to the so-called Luanchow Affair.

Reuter reported from Tokyo on August 6 that an important decision has been reached by the General Staff of the Army regarding the Luanchow incident following the conference on the previous day, at which Major-General Tada, the newly appointed commander of the Japanese garrison in North China, participated, and the following three demands have been presented the Chinese authorities in North China:

1.—The punishment of those responsible for the incident.

2.—A guarantee concerning the future.

3.—The maintenance of peace and order in the Demilitarized Zone, which is now disturbed by bandits and others.

HIGH CHINESE OFFICIAL DETAINED BY JAPANESE AUTHORITIES

Tao Shang-ming, formerly administrative inspector of the Luantung area of the demilitarized zone, is being detained for investigattion at the Japanese Embassy in Peiping, a Japanese gendarmerie officer revealed on August 6. The action is being taken under the terms of the Note setting forth the conditions for the dissolution of the Tientsin Provisional Government, based on Article IX of the Boxer Protocol, which provides for the complete jurisdiction over an area of two miles on each side of the Peiping-Mukden Railway, as far as Shanhaikwan, by foreign military commanders assigned to the defence of the line, he explained.

The wounding of a Japanese gendarme on August 4 by gunmen who murdered Col. Liu Tso-chow on the platform of the Luanchow railway station made the application of the above provisions to Tao justifiable, he added. While the officer declined to amplify his statement, reporters were given to understand that Mr. Tao was suspected of being involved in the outrage.

An official military despatch received from Luanchow by the Japanese garrison headquarters in Tientsin, and made public by a spokesman there, squarely charged Mr. Tao with instigating the murder and the attempts on the life of the gendarme and of Major Chikamatsu Nukui, commandant of the Japanese garrison at Tangshan.

Kuomintang officials still honeycomb the Hopei Provincial Government, in violation of pledges given by Gen. Ho Yin-ching, chairman of the Peiping Branch Military Council, to Japanese military authorities on June 11, a Japanese gendarmerie officer at Peiping said. A number of high provincial Kuomintang officials, such as members of the executive committee and party inspectors, are to be found in the Hopei administration at Paotingfu, where it as transferred at the demand of thhe Japanese, he alleged.

These are mostly masquerading as "inspectors of financial affairs," "inspectors of education," and as members of the Flood Relief Committee. They are banded into organizations labelled "Agricultural Association," or such innocent names, and are still actively engaged in anti-Japanese activities and in keeping watch over officials suspected of being pro-Japanese, the officer said.

It is confirmed that the Japanese authorities have taken the astonishing step of arresting and holding incommunicado a high Chinese official, Tao Shang-min, apparently in connection with the murder of Colonel Liu Tso-chow at Luanchow. Mr. Tao received a phone message on August 5 that Colonel Giga, of the Japanese Army, would like to see him in the Japanese Legation guard barracks. Mr. Tao went by car, but meanwhile, Colonel Giga had left for Tientsin, and the Chinese official was arrestted by some junior officers on his arrival. Mr. Tao, who is not allowed to communicate with anyone, was recently removed from an important post in the Luantung Demilitarized Zone on the demand of the Japanese military authorities.

One report states that on Chinese official enquiries being made, a member of the Military Attache's staff explained that Mr. Tao was not being detained. He "is being fed and treated well," he added, "and is helping to solve the problem of Colonel Liu Tso-chow's murder."

General amazement is expressed at the Japanese action in detaining a high Chinese official, especially as it appears to have been done by a minor Japanese official.

Major Takahashi, the military attache, is at present absent from Peiping, having been in Shansi during the past few days, but he is expected back soon.

Lieut.-Gen. Yoshijiro Umetsu, commander of the Japanese forces in North China, called a conference in Tientsin on August 6 to hear official reports on the murder of a Chinese colonel and the wounding of a Japanese gendarme at Luanchow on August 4. Capt. Akio Ishii, who hurried from Shanhaikwan to make an investigation on the spot, arrived at Tientsin August 6 to attend the conference. In an interview before the conference, Capt. Ishii said:—

"There is not the slighted doubt that an attempt was made on the lives of members of the Japanese Army. The way in which the assault was carried out shows that those who took part were experts at the game. They could not have been people living near Luanchow."

According to the statements of eye-witnesses, the assailants appeared from four different directions, firing at the Japanese gendarme on guard on the station platform and on Major Chikamatsu Nukui, who was in conversation with Col. Liu.

According to Sergt. Kitamura, the assailants suddenly appeared on the sttation platform. They immediately opened fire with pistols on the sergeant, and then turned their fire on Major Nukui, when they missed. They then produced two hand-grenades, which they hurled at Col. Liu, and when they saw him fall mortally wounded, they fled.

20 CHINESE TERRORISTS SAID OPERATING IN PEIPING

Japanese gendarmerie authorities on August 5 demanded the arrest of 20 alleged Chinese terrorists who have been allegedly "imported into Peiping from Nanking after the removal of the Third Chinese Gendarmerie Corps in compliance with the Japanese demands of May this year. The demand was served on Col. Shao Wen-kai, commander of the Chinese gendarmerie, at 5 p.m. August 5. The handing over to the Japanese authorities of the arrested men, with a warning that unless the Chinese authorities comply "the Japanese forces reserve the right to deal with the situation as they deem fit," was contained in the communication. A strong warning was also served on Col. Yuan Liang, who is charged by the Japanete authorities with having aided and protected these alleged underground terrorists.

Renewal of the Chinese terroristic activities in North China was seen by Japanese military authorities at Tientsin in the assassination of Col. Liu Tso-chow. An official report received by the Japanese Army authorities from Luanchow charged that the murder was committed by the "Blue Shirts" on the instigation of Tao Shang-min, in charge of the Tangshan sector of the demilitarized zone. A vigorous search for the assailants is being conducted by the Chinese authorities in the area, while the Japanese Gendarmerie is conducting an independent investigation.

An Army spokesman pointed out that Col. Liu's assassination was the second terroristic act committed by the Chinese this week. On the morning of Aug. 1 Su Peng-hsien, student director of the School of Commerce in Tientsin and a member of the local Kuomintang, was found strangled and shot in the head in his room n the school. His assassins have not yet been found.

COL. SAKAI ASKS FOR REORGANIZATION OF 5 NORTH CHINA PROVINCES

Complete administrative reorganization of China's five northern provinces was recommended to Wang Keh-min, acting chairman of the Peiping Political Council, by Col. Takashi Sakai, chief of staff of the Japanese forces in Tientsin on August 5, according to a *Rengo* dispatch from Peiping.

"As Mr. Wang asked me what he should do in the course of two-hour interview with him," Col. Sakai said, "I told him that nothing could be achieved unless the administration of the five provinces in North China was completely reorganized."

The interview was also attended by Major Yoshie Ohki, staff officer, and Col. Seiya Giga, representative of the Special Service Division of the Kwantung Army in Shanhaikwan.

The murder of Col. Liu Tso-chow by four Chinese gunmen, was also discussed at the meeting, Col. Sakai said.

"I warned Mr. Wang of the possible consequences of such an act, but I did not make any official protest or demands inasmuch as the matter is still being investigated," the Japanese officer added.

The complete isolation of the Luantung Demilitarized Zone from Hopei Province and its transformation into a special district, under the direct supervision of the Executive Yuan, will be recommanded to the Chinese authorities, *Rengo* reported from Tientsin on Aug. 5.

This reform is said to be held necessary by the Japanese military authorities in view of the frequent disturbances in the area. Formal steps in this direction, however, will not be taken until Lieut.-Gen. Yoshiiiro Umetsu, commander of the Japanese forces in North China returns to Tientsin from Shanhaikwan, where he is now inspecting troops.

Peace and order are being well maintained in the Luantung Area, though martial law is still in force there. The officers of the 3rd Corps of the Peace Preservation Force there are maintaining a clam attitude towards the question of assassination of Colonel Liu Tso-chow, their Commander. Colonel Li Hai-tsi, the acting ommander, reported that five suspects of the assassin gang of the late Colonel Liu had been arrested and sent to Tangshan for examination and trial. Colonel Li assured his men that the case would be thoroughly investigated and the culprits brought to justice.

BANDITS ACTIVE IN DEMILITARIZED ZONE

The bandits in the Demilitarized Zone are now becoming increasingly active and giving considerable trouble to the Peace Preservation Force there. The bandits of the different groups under Pai Chien-wu, Liu Yu-chun and Liu Kwei-tang respectively have joined forces under one standard and styled themselves as the People's National Salvation Army. They are reported to be well uniformed and equipped and they declared that they have secured the co-operation of the Japanese in their activities.

CHINA HAS PAID Y. 1,300,000 ON SEVEN JAPANESE LOANS

Syndicated Japanese banks underwriting various Chinese loans announced on July 27 that they had received the sum of Y.1,300,000 as the first installment on the principal and interest on several defaulted issues under the terms of recently concluded agreements.

The seven loans include:

1.—The Peiping-Suiyuan Railway loan, in which the East Asia Industrial Company and the Mitsui Bussan Kaisha were the joint investors.

2.—The Second Telegraph Loan, negotiated by the East Asia Industrial Company.

3.—The Telephone Loan, granted by the Japan-China Industrial Company.

4.—The Shantung Provincial Loan made by the same firm.

5.—The Tientsin-Pukow Railway Loan, negotiated by the Mitsui Bussan Kaisha.

6.—The Nanchang-Kiukiang Railway Loan, extended by the East Asia Industrial Company, and

7.—The Peiping-Hankow Railway Loan of Y.10,000,000 underwritten by the Yokohama Specie Bank in 1911.

An agreement providing for a settlement of the last loan was concluded on April 24, and stipulates for the annual payment of Y.1,000,000 to Y.1,200,000 by the National Government to the bank.

Defaulted Chinese loans, until these agreements were concluded, totalled about Y.800,000,000.

None of the so-called Nishihara loans, repudiated by the Chinese Government, are included in the issues so far readjusted.

GENERAL YEN HSI-SHAN REJECTS OFFER AS HEAD OF NORTH CHINA BLOC

According to a *Nihhon Dempo* dispatch published in the *Japan Advertizer* on July 28, the Japanese military authorities in North China have abandoned their efforts to persuade General Yen Hsi-shan, "model governor" of Shansi Province, to come to Peiping to organize the government of a bloc of five North China Provinces. Since the settlement of the North China controversy with Nanking, the Japanese have been soliciting the help of General Yen in consolidating the provinces of Hopei, Chahar, Suiyuan, Shantung and Shansi outside the influence of the Nationalist Government. With the Shansi governor remaining obdurate, the Japanese military have decided to place an influential civilian at the head of the proposed North China bloc.

General Yen's unwillingness to co-operate was attributed to his failure to realize the significance of the new political situation created in North China because his advisers are giving him information unfavorable to Japan. General Yen is reputed to fear that Sino-Japanese economic co-operation in the development of North China will be monopolized by Japan. On the other hand, cautious elements in Peiping and Tientsin fear that if General Yen did assume supreme power over the five provinces, his government would be dominated by the Shensi military element. These circles favor the plan for a government headed by civilian statesmen.

Despite the many previous visits of Japanese airplanes to Paoting, a Japanese plane for the first time landed in that city in the afternoon of Aug. 1 from Peiping, carrying on board the Japanese military attache, Col Tan Takahashi, who had gone there to see General Shang Shang Cheng, chairman of the Hopei Provincial Government. After the spending the night at Paoting, Col. Takahashi left the following day for Shihchiachwang by train en route to Taiyuan to see General Yen Hsi-shan, pacification commissioner of Shansi and Suiyuan.

The *Shanghai Mainichi* on Aug. 3 stated that in North-China, only Gen. Fu Tso-yi in Suiyuan is stubbornly carrying out his planned anti-Japanese activities. Under these circumstances, it is very difficult to foretell the future of North China. The people of North China are hoping to be free from the 'double-yoke' of the militarists and the Central authorities and are attempting to create a bright new China with the co-operation of Japan and Manchukuo. They will be grateful if Gen. Chiang Kai-shek and the Nanking government will understand the real situation and real intentions of Japan and Manchukuo and carry on economic development and reconstruction work in the region with the co-operation of these two countries.

The *Shanghai Mainichi* reported that the next plenary session of the Peiping Political Council will be held on August 15. The following questions will be discussed at the session of the council:

1) Measures for the stabilization of the North China situation.

2) Measures for the reform of administrative machinery in Hopei and Chahar.

3) Measures for the reform of administrative machinery in Peiping, Tientsin and the areas neighboring the Demilitarized Zone.

In addition, concrete measures will be elaborated by the session for the materialization of Sino-Japanese economic co-operation, and the economic development of the region.

Ying Ju-keng, newly appointed Administrative Inspector of the Luanchow-Shanhaikwan Area, assumed his office on August 3 at Tangshan.

More than 30 students from Japanese schools arrived at Peiping, August 3 on a sight seeing trip. Together with those who arrived a few days days ago and another party of tourists, there are more than 100 Japanese visitors in Peiping now.

JAPANESE INCREASE TROOP GARRISON AT DOLONOR

According to a telegram from Kalgan, the number of Japanese troops at Dolonor has recently been greatly increased. The new arrivals, the telegram states, have brought with them several tanks and heavy guns. All the people now travelling in Dolonor are being subject to strict search by the Japanese authorities.

In 120 trucks, 2,000 Japanese troops left Chengteh Jehol, for Kupeikow August 1 to visit the battlegrounds in Nantienmen, Patoulu, and other Great Wall passes. These trucks were followed by two tanks. Along the way, Japanese officers explained in detail the battles with the Chinese troops which had taken place in the districts in past year.

By the end of July, the Japanese residents in Tientsin increased to 7,200. The number of Japanese in other cities in North China has increased by 2,000 according to a report.

Ying Tung, managing-director of the Peiping-Liaoning Railway, received the director of the Japanese Economic Investigation Mission to North China and Col. Takashi Sakai, Chief of the Japanese Forces in North China, on Aug. 4. Mr. Ying discussed with the Japanese visitors the economic conditions in North China for about one hour.

According to Chinese reports, the visit of Mr. Yin is for the purpose of making a report to Wang Keh-min on his negotiations with the Japanese about a through air service between North China and Manchuria.

Five Korean silver smugglers were arrested by the Japanese police on the Peiping-Shanhaikwan train on August 2. The smugglers were taken to the Japanese police station for questioning.

CHINESE ENVOY TO JAPAN WILL LEAVE AUG. 20

General Chiang Tso-ping, the Chinese Ambassador to Japan, arrived at Hankow by air on August 1, from Chengtu, where he conferred with General Chiang Kai-shek. The envoy is proceeding to Nanking shortly, and expects to return to Tokyo by August 20.

In a message congratulating the *Shanghai Nichinichi* on its publication of a Chinese section, Mr. Ariyoshi, the Japanese Ambassador to China, says:

"The fundamental handicap to the development of Sino-Japanese relations, is misunderstanding by both parties.

"Despite the recent improvement in the course of normalizing the relations between the two countries, not few of the Chinese people are far from realizing the real significance of the Japanese policy towards China. We have utilized every opportunity for correcting the wrong ideas the Chinese people have of Japan.

"With much effort, your paper is now publishing a Chinese edition, which will enable both the Japanese and Chinese people to express their opinions and will contribute to the cause of co-operation and friendship between Japan and China.

In an article noting the significance of the publication of its Chinese section, the Japanese paper, *Shanghai Nichinichi* emphasizes that, following the development and adjustment of Sino-Japanese relations, the Japanese public earnestly hopes for the elimination of all kinds of traditional misunderstandings between Japan and China, and for a sincere rapprochement.

Dwelling on the concrete measures which are being elaborated by the Japanese Government for securing co-operation between the two countries, the Japanese paper states "The unity of China and Japan, which are closely allied culturally and racially, is fundamentally necessary for the stability of the Orient, and for the improvement of world peace."

Local Chinese authorities are reluctant to admit that they would find the Japanese operated, owned and published Chinese language section of the paper without censorship a source of trouble. All of the Chinese language newspapers are now under rigid censorship. The Japanese owned Kiangnan *Chen Pao*, now suspended, was not censored and the Chinese page of the *Nichi-Nichi* is unikely to undergo the filtering process required for all other Chinese language papers in Shanghai.

RESIGNATION OF WANG CHING-WEI AS FOREIGN MINISTER RUMORED

The resignation of Wang Ching-wei, President of the Executive Yuan of the Nanking Government, from his concurrent post as the Foreign Minister, is being rumored, the *Shanghai Nippo* reported on August 5. A successor, who would be able to map a definite policy towards Japan and be able to carry it out, is being actively sought, the newspaper added. Mr. Wang was reported to have asked Gen. Huang Shao-hsiung to inform Gen. Chiang Kai-shek of his desire to resign, when Gen. Huang visited Chengtu recently.

JAPANESE TRAINING FOR CHINESE AVIATORS

Fifteen Chinese military aviators of the Kwangsi Provincial Government forces, led by Major Wang Ti-ming, reported for duty on Aug. 2 at the Japanese Army Aviation School in Tokorozawa, to undergo advanced training for three months, according to a *Rengo* report.

GENERALS CHIANG AND CHANG TO CONFER ON SITUATION

New developments in North China are scheduled to be discussed by Gen. Chiang Kai-shek and Gen. Chang Hsueh-liang, upon the arrival of the latter at Womishan (Mountain), Szechuan August 6, according to a *Rengo* report from Hankow. Gen. Chang left Hankow on August 4th by steamer for Chungking, from where he will fly to Womishan. He is also expected to make a detailed report on the results of his recent inspection trip to Shensi.

General Chang Hsueh-liang called on Lin Sen, Chairman of the National Government at Kuling Aug. 4 General Chang made a report to Mr. Lin on the flood conditions along the Yangtze River and the Communist-suppression activities in the Northwestern provinces.

SZECHUAN COMMUNISTS SAID SEEKING CONTACT WITH OUTER MONGOLIANS

A northward thrust of the Chinese Communists in Szechuan, in an effort to seek contact with Outer Mongolia, is seen under way in military intelligence reports received in Tokyo from China .

The "Red" drive, according to the dispatches, has cut a wide swath across Kansu and Shensi and has touched the western borders of Shansi.

This Communist movement has scored its biggest success, so far, in Shensi where 700,000 persons were said to have "turned Red," including 200,000 who have joined the Soviet

phalanxes. A reign of terror has allegedly been instituted and 180,000 opponents of the system have been massacred, the dispatches said.

General Yen Hsi-shan of Shansi was quoted as having declared that efforts at suppressing the infiltration of Communists from Shensi into Shansi was almost hopeless in view of the strong foothold they had secured in the former Province and their success in disorganizing the local administration of border districts of Shangsi.

The Fourth Red Anmy Corps, led by Hsu Hsiang-chien, was reported to be on the move from Szechuan into Shensi, while the China headquarters of the General Staff of the "Far Eastern Communist Army" as well as the commandants' office of the North-Western army were said to have been established at Tingpien in Shensi.

The Red Military Affairs Council of the North-Western Army was reported to have been established in Michihsien, where it maintains a military school and an aviation training station, with a vas landing field. Russian advisers were reported to be in charge of these establishments, which were being supplied with Soviet war material by air. Hsu Hai-tung was named as the leader of this group.

COMMUNISTS IN NORTH SHENSI DIFFICULT TO SUPPRESS

In an interview with pressmen, General Kao Kwei-tse, Commander of the Government's 42nd Division, who has charge of the suppression of the Reds in North Shensi, declared that the people in the northern part of Shensi have been 'influenced too much by the Reds' and therefore, it was difficult for the Government force to make a complete suppression. "However," he continued, "since the punitive campaign launched by the division under General Chin Yo-sui and my division began, the Reds under Bien Tse-tang, who now has only several thousand soldiers, have suffered heavy losses."

With the reorganization and disbandment of troops in Szechuan Province, the annual military expenses have been reduced by $15,000,000. With this drastic reduction in military expenses, it is expected that the budget of the Szechuan Provincial Government will be balanced without difficulty in the future. The Central Government has decided to mint $70,000,000 worth of silver dollars to be circulated in Szechuan.

COMMUNIST LEADER OF SZECHUAN ARRESTED IN SHANGHAI

The identity of the Communist leader who was arrested by Chinese Police on the Nantao Bund a few days ago is now disclosed. He is Gen. Lieu Ming, onetime commander of the Red Armies in Szechuan province, and he is still in the custody of the Bureau of Public Safety in Nantao, pending disposal of his case.

SHENSI-SZECHUAN ROAD CONSTRUCTION SPEEDED

100 trucks have been purchased from Shanghai for the use on the various highways in the Northwest, according to Kuo Tsing-kai, newly appointed special representative of the N.E.C. at Sian. Mr. Kuo stated that construction work on the Shensi-Szechuan highway is now proceeding apace. The Sian authorities, he continued, have recently received an order from General Chiang Kai-shek instructing that the new highway be completed by the end of October.

The N.E.C. official further stated that T. V. Soong has raised $1,000,000 for the construction of the new highway and that the first remittance amounting to $100,000 has already been received by the Shensi authorities.

LHASSA OFFICE OF NANKING TO BE RETAINED FOR ANOTHER YEAR

As the work of the staff members of the Lhassa Office for the Special Commissioner to Tibet is not yet completed, the Central Political Council has decided to retain the office. General Huang Mu-sung, he Special Commissioner, has returned but his staff is still carrying on at Lhassa. The annual expenses of the Office, amounting to $36,000, will be appropriated from the second reserve fund provided in the National Budget for the current fiscal year (July 1935-June, 1936). The Executive and Control Yuans have been notified to this effect.

WANG CHIANG-WEI IS MAKING ROOD RECOVERY AT TSINGTAO

Interviewed upon his arrival in Shanghai by air from Tsingtao August 5, Dr. Chu Min-yi, Secretary-General of the Executive Yuan made the following statement to the Chinese Press:

"Since his arrival in Tsingtao, President Wang Ching-wei has made marked improvement in his general condition and he may now be said to be on the road to recovery. His temperature is now almost normal, and the trouble with his gallbladder has been responding to treatment fairly well during the past fortnight.

"Various rumours have been current with reference to President Wang, but I can state definitely that the President has taken no other medicine than those administered by Dr. Noll, his only physician. President Wang has been confined to bed ever since his arrival in Tsingtao, and it is only during the last few days that he has been able to sit up in bed for a short while. The rumours about his being able to receive guests and that he has addressed public meetings ... groundless."

Akira Ariyoshi, Japanese Ambassador to China, is purchasing a special medicine in Japan to be presented to Wang Ching-wei, according to press reports. According to Mr. Ariyoshi, his brother suffered from the same trouble years ago and was cured by this special medicine. As General Ho Ying-chin, Minister of War, is suffering from the same trouble, it is reported that Mr. Ariyoshi will also present him with this special medicine.

REORGANIZATION OF NANKING GOVERNMENT FORECASTED AFTER PLENARY SESSION

The Southern leaders held a lengthy conference on August 2 to discuss the question of attending the sixth plenary session of the Central Executive Committee at Nanking. It is understood that tentative plans were decided upon, but that a nal decision will not be made until Hsiao Yu-chen, one of Canton's "older statesman," returns from Siam.

According to *Kung Shan Jih Pao*, Hongkong during the forthcoming Sixth Plenary Session of the Central Executive and Supervisory Committees of Kuomintang, which will be held in Sept. the Nanking Government will be reorganized, because of the present national crisis. It is said that Sun Fo will be appointed successor to Wang Ching-wei as the President of Executive Yuann, and Wang Chung-hui will be the new president of the Legislative Yuan, General Chiang Tso-pin will be appointed Minister of Foreign Affairs, and Gen. Chang Chun, now the Chairman of Hupeh, will be the Ambassador to Japan. The measures are now regarded as only temporary and will be materialized in the future.

Hu Han-min, the veteran Kuomintang leader, is being accompanied on his journey by Dr. Wang Chun-hui who is fulfilling his mission of securing a closer rapprochement between Nanking and the Southwest. It is reported that the accent decision of the Central Headquarters of the Party to postpone the Sixth Plenary Session until late in September was caused by the delay in Dr. Wang's return from his trip. Dr. Wang is expected to arrive in the Southwest first and will then leave for Nanking.

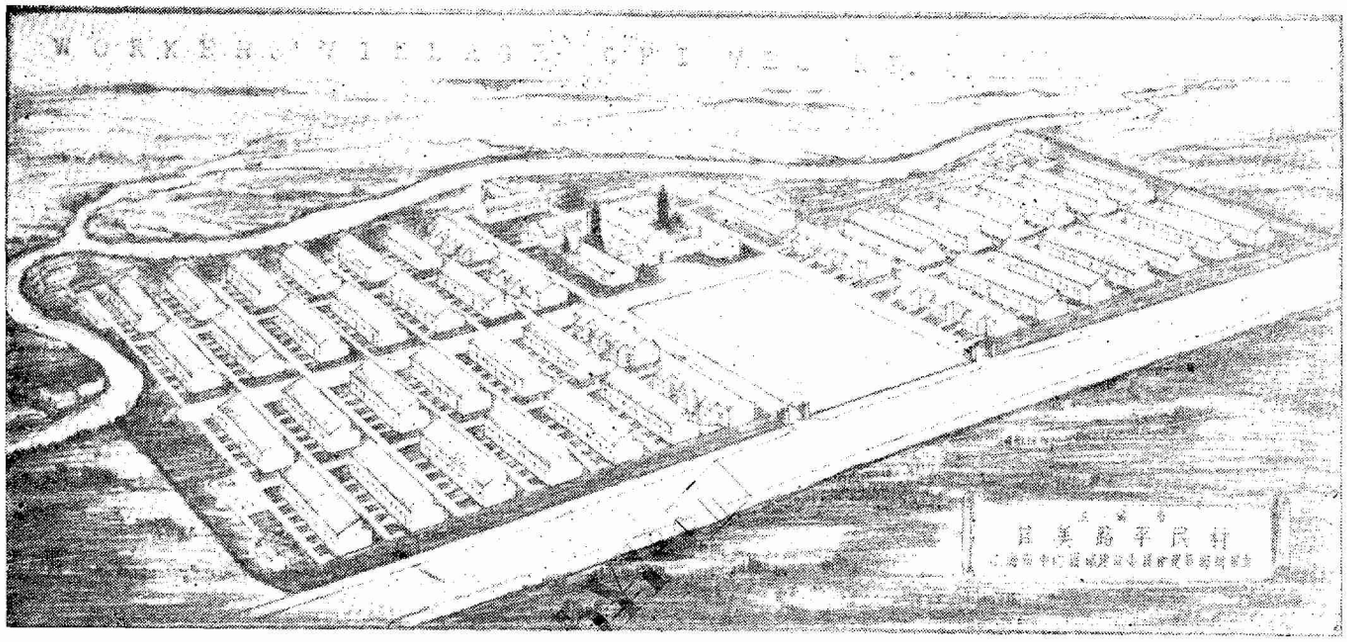
In view of the huge deficit in the budget of expenses for the current fiscal year, General Chen Chi-tang, Commander-in-Chief of the Kwangtung Provincial Government, have decided to reduce the present military and administrative expenses by one-fifth of their budget provisions from September 1. By this reduction, it is estimated, the Kwangtung Provincial Government can save a sum of $800,000 every month and will be able to balance the budget.

The South-west Political Council has approved the proposal submitted by the Provincial Assembly for the opening of its third session on August 15. It has also approved General Li Chung-jen's petition for the abolition of the post of the Kwangsi border defence commissioner, in accordance with the retrenchment policy of the province. The Council has also confirmed the appointment of General Li Pin-sin, commissioner of border defense for Kwangsi, to be chief-of-staff of the 4th Group Army.

The Housing Program of the City Government of Greater Shanghai

BY Y. L. LEE

SHANGHAI has become the most important industrial and commercial city of China. It is a center of Chinese wealthy people as well as the poor. Many farmers in the interior of the country, because of failure in their occupation, have been forced to flock to Shanghai. They have become the unskilled laborers, such as rickshaw pullers, wharf coolies, etc., numbering not less than 80,000 according to conservative estimates. They live in grass huts with about 30,000 in number scattered all over Shanghai but very close to the foreign settlements. A recent survey was made by the City Government and the number of dwellers in these huts was found to be 94,122 or 3.1 percent of the total population of 3,000,000 people living in the Shanghai area. They live in these huts under most unsanitary conditions. It is a miserable existence that these hard working people lead.



The above plan shows how the workers dwellings now being constructed in Chi Mei Road will look when completed. The village shown above has a total of 330 houses and will be utilized by a large number now occupying mud huts. Mayor Wu of Greater Shanghai has been an enthusiastic backer of developments such as this and the formation of the Labor Welfare Commission was largely due to his efforts.

The housing problem, which is very common in all large cities throughout the whole world, seems to be more vital in Shanghai. Mayor Wu Te-chen of Greater Shanghai realized its importance and last April he organized the Labor Welfare Commission of Greater Shanghai with the object of fostering his plans for helping the poor.

The Labor Welfare Commission, with Mayor Wu Te-chen as its Chairman, Secretary-General O. K. Yui and all the Commissioners of the City Government together with about twenty other leading citizens of different nationalities in Shanghai, are its members. Its General Secretary is Y. L. Lee. The City Government has set aside $1,500,000 for the Commission to carry out its projects. Since the organization of the Commission, there have been three sub-committees working; one for building and planning, one for training social workers and one for the rickshaw administration. The enthusiasm expressed by the members of these committees has indicated the hearty support of the general public of Shanghai towards the good purpose of the Commission. The present projects of the Commission are the construction of six or more model villages to meet the needs of the poor, the training of social workers and to aid rickshaw pullers.

With a view to lessening the suffering of the hut-dwellers, steps were taken by the City Government as early as 1927 for building of workers' villages. The first village was built at Chin-Chia-an in 1927, the second village near the arsenal in 1928 and the third village on Chiao-tung Road in 1929. In addition to these, the Commission is planning to build six or more model villages—four of which are now under construction. One is at Chi Mei Road, one at Chungshan Road, Western District, one at Tai Mo Bridge and one at Po Sin Road. The Commission is hoping to build some more as soon as locations are selected. Besides these villages the Commission may build two or three villages for the rickshaw pullers, which are in connection with the rickshaw administration.

"Plans for these model villages embody features which should make these homes very real forces for the advancement of great numbers of the hard-working but proverty-ridden masses, who are their prospective occupants. Between two and three hundred houses will be in each village grouped together with five or six houses in each row. Each house will have a living room, kitchen, toilet and upstairs sleeping accommodation. All these houses are fireproof and waterproof with through draft and quantities of sunlight. As many persons whose needs this work is designed to fulfill are without families, the plans include two large domitories one for single men and the other for single women in each village. The plans do not end with the provision of adequate living accommodation. Each village will be a large playground for children as well as grown up persons, a school building, a cooperative store, a tea house, a nursery, public toilets and bath houses." The plans have been drawn up by D. Y. Doon, architect; and the Bureau of Public Work of the City Government is handling the building.

The Commission has selected about forty students from about two hundred candidates in training for a period of five months beginning from this August first. After training, they will be assigned for welfare work among these new villages. The teachers for this training class are highly qualified and their courses of study are practical. These students are high school graduates and some of them even college graduates. The Chinese Y.M C.A. has co-operated and let the training class use its Middle School building as a training centre.

The sub-committee of the Labor Welfare Commission on rickshaw administration has met several times. Plans are being studied with a hope to introduce good rickshaws into Shanghai and to uplift the pullers. Two or three villages will be built to house these pullers and the welfare work for them will be centralized within these villages. The Commission has set aside $500,000 out of the $1,500,000 for this rickshaw administration and the welfare work of the pullers.

These are the inter-related projects of the Commission for the present and the near future. If the community, both Chinese and foreign of Shanghai, will take a deep interest of the proposed projects of the Commission and shows a willingness to share the responsibilities in the uplift of the poor here, our future is very bright.

ICE CREAM

free!

HAZELWOOD ICE CREAM

favorites are

The Dollar Brick	*$1.00*
Tastie Cups	*20 cts.*
Hazelwood Bars	*20 cts.*
Bing Bing Bars	*10 cts.*
Frozen Suckers	*10 cts.*

Is it really TRUE?

SAVE your empty HAZELWOOD Tastie Cups and Bar Cartons. On each is a letter. When you have letters to spell "HAZELWOOD" paste them together and your dealer will give you a Tastie Cup or a Bar absolutely free!

SOLD EVERYWHERE *Hazelwood*

73-411

The Negotiations Regarding the "Outside Roads" in Shanghai

BY C. Y. W. MENG (孟 長 水)

GENERAL Wu Teh-chen, Mayor of Shanghai, proceeded to the Capital June 15, where he was reported to have had a long conference (two hours and-a-half) with Hsu Mo, once the vice-Minister, now acting Minister of Foreign Affairs. It was further reported that the Mayor visited Nanking for the sole purpose of making a detailed report to the Government on the conclusion of the negotiations over the Outside Roads in Shanghai with the Shanghai Municipal Council, which subject has been under discussion for the past ten years. The outlines of the agreement were said to have been agreed upon by both parties, and that as soon as the agreement is signed it would be put into force.

What Are the "Outside Roads"?

When the Foreign Settlement was first established in Shanghai by virtue of the Treaty of Nanking of 1842—the first of the "unequal treaties",—the area of the Settlement was about 830 mow. Two years later, the area was increased to 2,820 mow. In 1862 when the American and British Settlements were amalgamated, the area was about 7,853 mow. Many attempts were made by the foreign authorities to further increase the area of the S.ttlement. By 1899 the area of the Settlement had grown to 33,503 mow. At the same time, the name of the Settlement was changed into the International Settlement of Shanghai. In other words, the area of the International Settlement was 830 mow in 1846, and was extended to 33,503 mow in 1899. Such increase was, however accomplished with due permission from the Chinese authorities.

The construction of the so-called outside roads began in 1899 when the S. M. C., without the permission of the Chinese authorities, began to build roads into the adjoining Chinese territories. More roads were built after the establishment of the Chinese Republic. As a result, while the area of the International Settlement itself in only 33,503 mow, the area of the "Outside Roads" is about 176,000 mow—about five times greater than the area of the International Settlement!

They are called the outside roads, because they all lie outside the limits of the International Settlement; they run many miles into the Chinese-controlled territories. So, according to the Chinese terminology, they are called Yuan 越 (meani ng trespassing) Kai 界 (meaning the boundary line) and lu 路 (roads), meaning the roads that trespass upon the Chinese territory, and outside of the boundary line of the Settlement.

Justice Feetham, in his lengthy report to the S.M.C. could not find any reason or iustification for the exercise of authority by the S. M. C. on the outside roads. So, in Chapter Three, Mr. Feetham only gives "essential facts of the present situation in relation to the causes which have produced them and the historical process of which they are the result, and thus open the way for suggestions as to the future"; and purposely, does "not propose to attempt to solve legal problems which have arisen in the past or which present themselves today, in connection with the exercise by the Council of authority on the external roads".

These outside roads were constructed primarily for the future expansion of the International Settlement, and partially for the benefit of the foreigners in Shanghai, who would then be able to go for plasure drives—a privilege which they could never enjoy in the congested town of Shanghai. The foreign realty companies in Shanghai certainly all welcomed the action of the S.M.C., for it was another good place for their investment where they could buy up the land at very low prices, and by putting up residential buildings could let them out for high rentals —another example showing how the foreign business men, by putting up small capital, could make enormous profits in Shanghai at the expense of the Chinese.

The "Outside Roads"—Many Incidents

It was not infrequent that the Chinese police for one reason or the other stopped motor cars and demanded the drivers to produce the necessary permit or license, granted by the Municipal Government of Greater Shanghai. In the eyes of foreigners, it was a "molestation" of foreigners; to the Chinese, it was purely a matter of exercising rightful police power on their territory. At any rate, on the following day, our foreign contemporaries in Shanghai usually gave much publicity and prominence to the "incidents" on the outside roads. Under big headings they described the "molestation" of the foreigners by the Chinese police or Chinese peasants! It was not equally infrequent to see both the Chinese police and S.M.C. police on duty on the same outside road—a situation for which there could never be a parallel in any other country under the sun!

To the Chinese, it was a "trespass" on Chinese territories, and usurpation of the Chinese police power by the S.M.C. But to the S.M.C., the area is more or less a "newly found land," and by constructing the roads at their own expenses, the S.M.C. felt they could claim ownership.

History of the Negotiations

The negotiations for taking back the control of the outside roads began in 1925 after the unfortunate "May 30th Incident" in Shanghai, when the S.M.C. police shot to death some of the Chinese students or demonstrators on Nanking Road. In 1929, the Municipal Government of Greater Shanghai and the Bureau of Foreign Affairs in Shanghai took up the matter jointly with the S.M.C. In September, 1929, the consular representatives of Great Britain, U.S.A., Japan and Netherlands called on Hsu Mo, the then commissioner of foreign affairs in Shanghai, "to exchange opinions" with the Chinese authorities. But one year was allowed to pass without result. Sometime in June 1930, following another "incident" on the outside roads to the west of the International Settlement between the Chinese and S.M.C. police, the negotiations were resumed, but soon were called off again.

The First Draft Agreement

In 1933, after the conclusion of the Sino-Japanese "undeclared war" in Shanghai, the negotiations were resumed. This time some marked progress was made. The "outlines" for the settlement of the dispute were agreed upon, and were submitted to the Government for approval. The draft agreement was reported to have embodied 16 articles. The important points might be summed up as follows:

1. The outside roads in Shanghai would be completely put under the Chinese control.
2. The police power over the outside roads would also be handed over to the Chinese. However, in view the fact that there are quite many foreign residents along both sides of the roads, it was agreed by both parties that one "special police organ" be created; the police chief should be a Chinese, appointed by the Chinese Government; and the assistant police chief should be a foreigner appointed with the consent of the S.M.C., and the other Chinese and foreign police officials would be appointed by the Chinese Government.
3. The taxes so collected in the area would be expended for the maintenance of the special police organ, for repairing and constructing the roads. The two parties should jointly control the revenues. In case of any shortage, it would be borne equally by both parties.

The above points were at last brought up for discussion at a meeting of the members of the S.M.C., and it was decided to forward the same to the consular body. The whole dispute was generally believed to have been concluded, and the signing of the agreement was regarded as only a matter of time.

Japanese Intervention and Opposition—Their Amendments

But just at this hopeful moment, the Japanese residents in Shanghai raised bitter opposition on the gound that the S.M.C. "cares only the welfare of the American and British people, but not for that of the Japanese!" And as a counter action, they presented three amendments, as follows:—

1. When the Chinese Government takes over the control of the outside roads, the Japanese should at least retain the right to station their police freely.
2. The Japanese residents living in the area should "forever" be exempted from paying the taxes.
3. The Japanese residents living in the atea should be free to construct buildings, without being subject to Chinese "interference."

Police Power, the Criterion of the Negotiations

Due to the Japanese opposition, the negotiations were broken off. But due to the mediation of His Excellency Sir Miles Lampson, then British Minister to China, the negotiations were resumed one month later. In the early part of January, 1934, the Japanese were reported to be more conciliatory, but the negotiations centered on the police power problem. This time, the Chinese were said to have agreed to the Japanese demand to appoint one Japanese as the assistant police chief, but adding that one more Chinese should be appointed also.

But in May, 1934, the S.M.C. put forward a new proposal, to appoint foreigners as the chief inspector, and also the other two inspectors. The Japanese also proposed to appoint one Japanese as inspector, adding that the Japanese inspector should be posted on the Northern District, meaning, of course, the northern

LET THE
ELECTRIC REFRIGERATOR
BE THE
GUARDSMAN of
your HEALTH

SMALL DOWN PAYMENT AND EASY TERMS

POISONOUS MOLD AND BACTERIA GROW IN A TEMPERATURE ABOVE 50° F, 10° CENT. SAFEGUARD YOURSELF AND FAMILY—INVEST IN AN ELECTRIC REFRIGERATOR.—TEMPERATURE AUTOMATICALLY CONTROLED.

SHANGHAI POWER COMPANY
Head Office, 95 Nanking Road Tel. 11010

portion of the International Settlement where the Japanese military and naval authorities have succeeded in forming a "Japanese concession within the International Settlement," and where the Japanese have constructed strong fortifications and cement barricades. The result was that the negotiations were again broken off.

In June the negotiations were resumed. A compromise was worked out. That is, that there should be one police chief, and a Chinese should fill the post; and one vice-police chief, and a British officer should take up this post; and two more assistant police chiefs, one being Chinese and the other being Japanese. However, this was not finally decided. Questions such as jurisdiction and organization of the police, the employment of people of different nationalities af police, etc., were not decided: From August to October, due to the absence of Mr. Fessenden, Chairman of the S.M.C., from Shanghai, the negotiations were stopped for a while.

In October, the Japanese officials (officials from the Asiatic Affairs Bureau in Tokyo and the Japanese consul in Shanghai), after further joint discussions among themselves and investigations, were reported to have agreed that there should be one police chief inspector and that a Chinese, appointed by the Chinese Government, should take up the post; one assistant police chief inspector to be elected by the foreign tax-payers, and one Japanese as the "reserve" assistant police chief. So, at one time, it was reported that the negotiations might be concluded, and that as soon as Mr. Fessenden returned to to Shanghai, the agreement would be signed. The Japanese were also said to have declared that "the Chinese should give more facilities to the Japanese residents," the exact meaning of this declaration not being quite clear.

In January, 1935, Mr. Fessenden returned to Shanghai, and the negotiations were resumed. Questions about the connection of telephone service on the outside roads were also decided. But after three months the negotiations were again called off.

The "Outlines" of the Present Draft Agreement

But recently, it was reported that negotiations had been resumed sometime ago, and rapid progress made, and that the outlines of the agreement agreed upon. It was further reported that the outlines of the agreement provide that the Public Safety Bureau of the Municipal Government of Greater Shanghai should establish one special police organ in the area. There should be one police chief and one assistant police chief, the former being Chinese and the latter being a foreigner, and one, the "reserve" assistant police chief, who should be a Japanese. These police chiefs should be in charge of affairs in the area. There should be a number of police inspectors and police under them.

It was further agreed that, in case a matter involves Chinese only, it should be handled exclusively by the police chief. In case the matter involves foreigners only, it should be handled exclusively by the assistant police chief. In case the matter involves both Chinese and foreigners, it should be handled jointly by the police chief and assistant police chief. In case they should be unable to come to a unanmous conclusion, the matter should be referred to the higher authority for adjustment. At the same time, the Chinese are reported to have accepted what has been expressed by the Japanese.

Nanking, August 5, 1935.

Japanese Journal Urges Reform in Foreign Settlement Status

Drastic reforms in the administration of the Shanghai International Settlement, "at this time whe the Outside Roads Issue is about to be settled" was urged in an editorial published by the *Shanghai Mainichi* August 6. Pointing out that it was "useless to patch up deficiencies unless the basic faults caused by the super-anachronistic adherence to the Land Regulations established more than 80 years ago, were removed," the journal asked the officials in charge to take drastic action so that "a bright and just government may be established in the Settlement."

The opposition of the Chinese to any reforms in the Land Regulations, except when these provided for an increase in Chinese representation on the Council, was scored by the newspaper. The editorial also cited the recommendations made by Justice Feetham "invited to Shanghai at a huge expense," for the reform in the organization of the Council.

The limitations on voting; the organization of the Council, its size and the method of election of councillors; "the ratio of land and building taxes which favor the big landowner" and the regulations for the employment of the Council officials, were labeled hang-overs from the "primitive, semi-colonial times when a few British pioneers established a settlement at the mouth of the Yangtze," entirely out of keeping with the times—by this Japanese journal.

One Japanese Critic Who Told the Truth

BY PAUL K. WHANG (王林芳)

NOWADAYS in the countries which are under the rule of either Party or military dictatorship, there is no such thing as genuine public opinion. This is especially true of our neighboring Empire, where, under the iron-clad rule of the all-powerful army, the writers and speakers are strictly forbidden to express their personal opinions at variance with the Government policy and painstaking efforts have been made to present to the outside world a unanimous national outlook. Therefore it is easily understandable that the Japanese in their writings and speeches have been in unison in singing songs to glorify the conquests of their army and uphold their national policy. But once in a great while, we can still catch the sound of a discordant note, which, because of its not being harmonious with the prevailing tone, has often attracted great attention in the outside world.

What I have in mind is the recent interview given by Takane Murobushi to a representative of the *Shanghai Mainichi*, a local Japanese daily. Mr. Murobushi is described as a noted Japanese critic of social affairs, but up to his recent interview, his name was little known to the Chinese public. This interview would not have attracted much attention of the Chinese people, but for the fact that his remarks about Japan's present policy in China had incurred the wrath of the local Japanese civilian and military officers, that the publication of the *Shanghai Mainichi* was ordered to be suspended for three days by the Japanese Consulate-General as a disciplinary measure in spite of the fact that the said Japanese daily had offered its repeated apologies for giving hospitality to the opinions of "a reactionary traitor."

After this great fuss made by the local Japanese officials, we have naturally become interested in learning the opinions which are branded as being "not conducive to friendly Sino-Japanese relations." But after carefully reading through the whole text of the interview, we are very much disappointed because we find what Mr. Murobushi said is nothing unusual and spectacular. His remarks are true facts which have long been known to us. But what arouses our interest is not so much his outspoken words as the fact that these words were spoken by a Japanese.

The "New Life" Case

That which especially interests us is his comment on the "*New Life Weekly*" case, the echo of which is yet reverberating in our ears. Although the case is now supposed to be settled, it is still doubtful in our minds if such remarks—that the Emperor of Japan does not hold actual power and that he would have contributed something to mankind as a biologist had tradition and inheritence not placed him on the Throne—can be interpreted as something reflecting upon the honor and dignity of Japanese Emperor. We like to hear of some impartial opinions from some Japanese who can speak of their convictions without bias and prejudice. Therefore Mr. Murobushi's statement, that such articles as these appeared not only in China but in many other countries from time to time and that it had been taken notice of in China purely because China was, in a military sense, weak, will give us some enlightenment on this case. It confirms our belief that the Japanese militarists have purposely made mountains out of molehills for the purpose of thrusting new demands upon the Chinese authorities.

Concerning the anti-Japanese movement in China, he minced no words in stating that it was not to be wondered at that an anti-Japanese movement should follow after the Manchurian and the Shanghai disputes which were started entirely by the Japanese, and that it would appear almost impossible to stop any such movement after such actions. This sentiment is on all fours with that often expressed by many other impartial foreign observors who have made investigations into Sino-Japanese difficulties. The Japanese militarists have now brought pressure upon the Chinese Government in suppressing anti-Japanese activities under the impression that the sentiment of Chinese people can be changed from that of anti-Japanese to that of pro-Japanese by force; but in reading Mr. Murobushi's statement, they will awaken to the fact that this anti-Japanese movement can not be stopped unless the Japanese themselves can first redeem their misdeeds.

His statement, "If Manchukuo was said to be a peaceful and independent state, why was it necessary for the Japanese to maintain such big forces there?," can not, of course, be read with pleasure by the Japanese militarists, who have spared no efforts in painting a very glowing picture of their puppet state. As a matter of fact, the truth of the whole matter can no longer be concealed, and many foreign observors who have taken a tour of inspection in Manchuria have brought back news regarding the true state of affairs prevailing there. Therefore it is futile on the part of Japanese civilian and military officers to try to blindfold the world by presenting distorted facts and suppressing authentic views regarding their puppet state.

His criticism of Japan's dual policy is nothing new, as it has often been expressed by foreign observors of Japanese politics. It is indeed deplorable that the Japanese militarists should go to such an extent as to usurp diplomatic functions that the Gaimusho has become nothing but a decorative organ of the Japanese Government. This state of affairs reflects no credit upon the Island Empire which claims itself to be one of the leading Powers of the world. For the sake of economy, the Japanese Government had better abolish the Foreign Office and delegate diplomatic functions to the Japanese Army, so that Japanese militarists can pursue their own policy without any interference from their diplomatic colleague.

What appeals to us as more significant is his suggestion that a final adjustment of friendly Sino-Japanese relations would not be possible unless all Japanese military and naval officers in China are recalled to Japan and the Kwantung Army reduced to one-tenth of its present strength. While we doubt if the Sino-Japanese relations can be adjusted by merely recalling military and naval officers from China and reducing the strength of Kwantung Army without in the meantime making full reparations to China, we, nevertheless, believe that his suggestion, if carried out, would remove the causes which would further aggravate Sino-Japanese relations. The rape of Manchuria is the work of the Kwantung Army, the responsibility of Shanghai War must be fixed upon the shoulder of the Japanese Navy, and the recent North China episode is again a drama staged by the Kwantung Army. It is, therefore, evident that the total withdrawal of Japanese military and naval officers from China and the drastic reduction of the strength of the Kwantung Army will pave the way for the adjustment of Sino-Japanese relations.

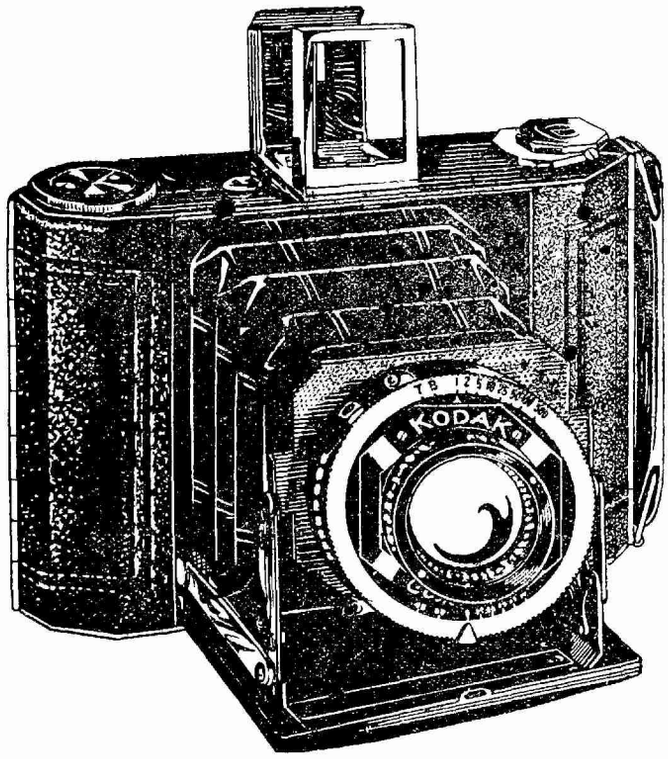
A Japanese Critic

Mr. Murobushi's remarks, as a whole, are too commonplace to be attractive; but as a Japanese, he has certainly run a great risk in criticising the policy of his government. It goes without saying that there may be many other Japanese who have the same political outlook as that of Mr. Murobushi, but this is the first time we have ever heard of such candid opinions as expressed by a citizen of Dai Nippon. It may be even suspected if the mind of this Japanese critic was in the sound state at the time when he gave his interview to the representative of the local Japanese daily. Therefore what makes us admire him is not his pro-Chinese views but his courage in calling a spade a spade. It is only a man of great courage, who dares to speak out his mind without regarding personal danger and national sentiment.

It is our hope that this discordant note may become a popular chorus among the Japanese people in the near future. The hopes which the Japanese people have entertained as to the economic possibilities in Manchuria are now fading out, and, on the other hand, their livelihood has become more difficult both because of the increasing burdens in the form of heavy taxes and because of the continuous slump in Sino-Japanese trade. In these circumstances, the Japanese people, no matter how patriotic they are, can not be expected to give their continuous support to their Army without complaints. Therefore it is feared that if the present state of affairs continues any longer in Japan, the Japanese militarists will be faced with an impossible task in suppressing such sentiments as now expressed by Mr. Murobushi.

What strikes us as the most incomprehensible is the fact that Mr. Murobushi's remarks should be branded by the local Japanese officials as being "not conducive to friendly Sino-Japanese relations." It seems to us that Mr. Murobushi is more anxious in improving Sino-Japanese relations than the local Japanese officials are posed to be, inasmuch as he is frank enough in pointing out the causes of the present impasse and the way leading to its adjustment. His criticisms of Japan's policy in China will not do any more harm to the already strained Sino-Japanese relations, but will only bring a consolation to the Chinese people that Japan after all is not devoid of sober-minded people. Finally, sympathy must be extended to the publishers and editors of the "*Shanghai Mainichi*," the publication of which was suspended for three days by the order of the local Japanese Consulate-General. After fighting a great battle on behalf of the honor of Japanese Emperor in connection with the "*New Life Weekly*" case, they were really in need of this brief vacation, especially at this time when the mercury is hovering around 100 degrees.

Shanghai, August 6, 1935.



NEW
KODAK
SIX-20 DUO

16 EXPOSURES ON A ROLL OF KODAK 620 FILM

EQUIPPED WITH FAMOUS KODAK ANASTIGMAT LENSES F.4.5 AND F.3.5 WITH COMPUR SHUTTER

AT YOUR DEALERS OR

EASTMAN KODAK COMPANY
HONGKONG SHANGHAI TIENTSIN

Matsudaira Says British Are Now More Sympathetic to Japanese Attitude

A great improvement in British sentiment towards Japan was reported by August 2 by Tsuneo Matsudaira, Ambassador to the Court of St. James, when he returned to Japan for the first time in seven years. "There has been a big change for the better in the British attitude towards Japan," the envoy told reporters. "Time and a better understanding of Japan has caused a radical revulsion of the feeling against us which ran high after the Manchurian Incident. "Even on the question of disarmament, the British now show a deep understanding of Japan's position. They realize that the ratio system is impractical and that it is discriminatory against Japan with resultant damage to Japan's prestige," he added.

Editor of Panama Paper Arrested for Alleged Libel on U. S. Army Authorities

Nelson Rounsevell, editor of the *Panama American*, was arrested August 3 on charges of criminal libel. He was kept in prison for a day and then liberated on $2,500 bail. He was freed through the financial assistance of President Harmodio Arias, of the Republic of Panama.

The President offered his personal check as bail for Mr. Rounsevell, but United States Army officials, who are in charge of the case, rejected the check. Accordingly, the president's check was cashed and the sum presented in Panama pesos, weighing 250 pounds, which were accepted as bail.

Mr. Rounsevell created a sensation by alleging that several recent suicides among officers and men at Fort Clayton, the American army post in Panama City, were due to widespread smoking of marijuana (a weed grown throughout Latin America, having narcotic properties. The local Spanish name means literally "Mary Jane.")

In articles published in his newspaper, Mr. Rounsevell further alleged that the suicides were partially attributable to harsh conditions prevailing at the American army post.

Government of India Bill Becomes Law

The Government of India Bill became an Act Aug. 2 when it received the Royal Assent in the House of Lords. The Act consists of 478 clauses and 16 schedules occupying 455 printed pages, and is the longest act in the history of Parliament. The scheme of the act is to set up in place of the present form of Government in British India, which has been described as "in essence unitary and centralized," an all-India Federation linking together eleven British-Indian provinces and such Indian states as are prepared to join. Both at the Federal center and in the provinces, a Government will be formed of ministers responsible to the legislature in much the same sense as the British Cabinet is responsible to Parliament at Westminister. Three Federal subjects only are reserved for administration by the Governor-General at his discretion, namely, defence, external affairs and ecclesiastical affairs. Burma is separated from India and given a constitution on the same general lines. More notable amendments accepted in the course of the Bill's passage through Parliament are the reservation of six seats in the Council of State for women, and the substitution of direct for indirect election to the Council of State.

Soviet Submarine Founders During Maneuvers —55 Dead

During the training practice of the Baltic fleet in the Gulf of Finland on July 25, a marine boat crashed into a submerged submarine B-3, while going through a complicated maneuver. The submarine foundered and the crew of 55, all of whom were students of naval schools, perished. The submarine was of the old type launched in 1917. The government has issued a decree giving the families of the dead 10,000 roubles each as well as personal pensions.

Prague Plans Library on Culture of China

The Ministry of Education has, through the Ministry of Foreign Affairs, received a cablegram from the Chinese Legation at Prague, stating that the Oriental College in the Czechoslovakian capital is planning to establish a Library for the study of Chinese culture. The Legation had been requested to collect Chinese books for the library.

Soviet State Enterprises May Now Deal Direct Abroad

An important alteration in the transaction of trade between the Soviet Union and foreign countries has been effected by the Council of Commissars of the People, who have announced that henceforth trusts and State enterprises may deal direct with foreign houses in all sale and purchase operations. *Havas* believes that the measure is a step toward the Government's policy of doing away with a former system of commercial middlemen. Heretofore, transactions with foreign firms have been conducted through Soviet commercial delegations or through the Commissariat of External Trade. In Soviet relations with a number of countries, the system has already been abolished, and it is anticipated that the present move will prove a stimulus to abolition of the remaining delegations.

According to the new project, arrangements entered into by the trusts or State enterprises will be binding only on the parties concerned, while the Commissariat of Trade and existing commercial delegations can no longer be held financially responsible.

In the meantime, a *Havas* message from Moscow, says that it should be observed that the trusts themselves are undergoing a period of revision and renovation, as are State-run enterprises. In some instances, these have been liquidated or entirely suppressed.

The present move is a distinct departure from former Soviet policy in the respect, which was described in a pamphlet issued in Moscow two years ago by A. P. Rosenholz, Peoples' Commissor of Foreign Trade, entitled "Fifteen Years of the Soviet Foreign Trade Monopoly" in which the following appeared:

"The existence of the foreign trade monopoly and the growth of every branch of national economy of the Soviet Union affords us great maneuvring posibilities on the foreign markets. Therein lie our advantages over the capitalist countries and these ad antages must enable us to solve a number of new tasks which confront the foreign trade system at the present time. In particular, they afford great possibilities of adapting our commodities to new markets and, in those cases where this is impossible, of replacing one form of export by another.

"The foreign trade monopoly has repulsed the numerous and ceaseless attacks of capitalism upon the Soviet Union in the economic and financial fields. Our foreign trade system has been and remains a true defender of our economy against the economic aggression of the capitalist world, a powerful lever in the industrialization of the country and the building of socialism.

"The foreign trade monopoly and system have blocked the numerous attempts to establish a connecting link between the private capitalist elements within the U.S.S.R. and world capitalism. The foreign trade monopoly and system have been and remain a most powerful lever of industrialization and socialist construction."

Ataman Semenoff Ready to Fight Against Russia

In an interview given to the Shanghai *Zarra*, Ataman Semenoff, who is residing in Dairen, said: "I know that the government of Manchukuo does not intend to make any difference between Russians and other people. Energy, experience and knowledge of loyal Russians will be duly appreciated and will bring them real profit. As for the U.S.S.R. we know that it is now building two important railways near the Far Eastern boundaries. This shows that the U.S.S.R. is preparing most intensively to fight in the Far East. Circumstances are such that we cannot hope for peace in the near future. We must be ready not to attack, but to defend ourselves and defend the state which offered hospitality to Russians."

Soviet Workers Given Death Sentences for Theft

Two workers have been sentenced to death in Moscow for having been the cause of railway accidents by stealing several lengths of compressed air tubing and trying to sell them. Four accomplices were condemned to ten years in prison each.

American Communist Exhorts Comrades in Russia

William Z. Foster, former Communist candidate for the presidency of the United States, made a speech before the International Comintern in Moscow, Aug. 5, urging increased activity among the unemployed to take advantage of the Present crisis in the world's capitalistic system. Gil Green, head of the League of Communist Youths in the United States, said that were 1,000,000 anti-Fascist youths in the United States, and, also, that there were 8,000 Young Communists.

***

Tea Industry Thrives in Soviet Georgia

During the last four years, the area devoted to tea plantations in Soviet Georgia (in the Caucasian mountains) has been increased by 16,000 hectares, the total area this year being 33,954 hectares. At the same time the tea industry has been considerably developed and there are at present 28 tea factories in the Georgian Republic. According to the plan, the total amount of green tea leaves collected this year will be 12.3 million kilograms as against 1.2 million kilograms in 1932 and 6.6 million kilograms in 1934.

Young Communists Raided by San Francisco Police

One hundred mounted and foot police in San Francisco, August 1 routed 500 members of the Young Communist League who attempted to hold a street-corner meeting on the Embarcadero, scene of last year's bloody waterfront strike. The latest development in the war against Communist domination of waterfront unions was the action of police in obtaining a perjury warrant against Sal Darcy, American Red leader now at Moscow, who, in a speech before the World Congress of the Third Internationale, predicted another maritime strike in San Francisco in September. The strike, he said, would spread until it assumed world-wide proportions. In obtaining the warrant against Darcy, police alleged that, in applying for a passport, he claimed New York as his birth place, whereas he was a native of Russia. The battle centred about Harry Bridges, Australian-born left-wing leader, who led last year's general strike. He bitterly fought all attempts to curtail his authority as president of the San Francisco local union, a position to which he was elected several months ago over strong opposition of conservative leaders.

Union Leaders Attempt to Oust Filipino Seamen

Union seamen at Houston, Tex., August 1 attempted to board the *ss. Gertrude Kellogg* on which non-union Filipino seamen were working, but a volley of pistol fire from the ship caused them to retreat with several sustaining minor injuries. Union leaders claimed they made the attack because the vessel carried non-union Filipinos despite the fact that her owners had received a Government subsidy.

British Official Fails in Attempt to Keep Wife Out of U.S.

Captain Guy Maynard Liddell, member of the British Civil Intelligence division, July 30, lost his fight to prevent his wife, Calypso Baring Liddell, grand-daughter of Pierre Lorillard, the American tobacco magnate, and sister of Lord Revelstoke, from entering the United States with the four children of the couple. Mrs. Liddell, the children and her American half brother, Lorillard Suffern Tailer, had been held overnight at Ellis Island but were released following a session of a special board of inquiry. The board discussed Captain Liddell's charge to authorities at Washington that his wife intended to keep the children in the United States permanently. After a short hearing the board members admitted Mrs. Liddell to the United States for an indefinite stay, and the children for a six months' period.

R.C.A. Reports 6-Month Profit of $2,289,135

Radio Corporation of America announced net earnings of U.S.$2,289,135 for the first six months of 1935. This is U.S. $217,500 more than the amount earned during a corresponding period last year.

Order Valued at £265,000 Placed in London for Yueh-Han Railway

The Chinese Government Purchasing Commission is ordering from British firms 35 passenger cars and eight heavy locomotives, according to an announcement made in London August 6. The total value of the order, which is for the Canton-Hankow Railway, is £265,000.

"Whispering Campaign" Originator Punished

The Thomas A. Edison Co., West Orange, N.J., announced Aug. 5 that it had dismissed C. L. Carmer, advertising expert, for instituting the "whispering campaign" against President Roosevelt in an effort to beat the "death sentence" clause in the Wheeler-Rayburn bill.

Members of the Special Senate committee investigating lobbying said July 30 that the law firm of which the ex-Secretary of War, Patrick J. Hurley, is a member, received $25,000 for campaigning against the Wheeler-Rayburn utilities bill.

American Bar Session Condemns Hauptmann "Circus" Trial

Criticism of the conduct of the Hauptmann murder trial was contained in a report presented to the American Bar Association in convention in Los Angeles, July 20, by its committee on cooperation between the press and the bar. The committee says that "to treat a simple trial as a public show, as was done in the sensational trial of Hauptmann for the abduction and murder of baby Charles Lindbergh, is to cheapen life itself by causing people generally to undervalue the life of the criminal, and to increase the morbid desires of sensation-seekers."

Grandson of Sultan, Ex-Shanghai Resident, Kills Self in N. Y.

Effendi Abdul Kerim, prince of the former Turkish ruling family and grandson of the ex-Sultan, Abdul Hamid, committed suicide in New York Aug. 4. Abdul Kerim had killed himself because a Mrs. Kadir of New York had refused to divorce her husband and marry Abdul, who boarded with the Kadir family. The former Turkish prince had lived at the Kadir home after arriving in New York penniless last year from Shanghai, where he is said to have lived previously.

Roosevelt's Tax Bill Passed By Big Margin

By 282 votes to 96, the House of Representatives Aug. 5 passed President Roosevelt's "tax-the-rich" bill. The bill increases the taxes on incomes of over $50,000 and according to calculations, is expected to raise between $250,000,000 and $270,000,000 additional revenue each year.

PEIPING-LIAONING RAILWAY

ABRIDGED TIME TABLE

1st July, 1934 and until further notice.

DOWN TRAINS

41 Slow D 1 2 3	301 Ex. S D 1 2 3	1 Ex. S D 1 2 3	305 Ex. S D 1 2 3	23 Fast D 1 2 3	5 Ex. D 1 2 3	21 Ex. S D 1 2 3	3* Ex. S D 1 2 3	MAIN LINE STATIONS		UP TRAINS 302 Ex. S D 1 2 3	22* Fast D 1 2 3	42 Slow D 1 2 3	4 Ex. S D 1 2 3	24 Fast D 1 2 3	2 Ex. S D 1 2 3	306 Ex. S D 1 2 3	6 Ex. D 1 2 3
5.45	15.05	8.45	18.50	13.15	16.30	20.15	10.55	dep.	Peiping - - -	arr.	10.24	11.29	17.55	18.42	23.17	9.18	8.19	11.50
6.20	15.36	9.13	19.20	13.46	—	20.48	11.24	,,	Fengtai - - - -	dep.	9.54	10.55	17.21	18.15	22.48	8.47	7.49	—
7.45	16.40	10.21	20.26	15.01	—	22.08	--	,,	Langfang - - -	,,	8.50	9.26	15.43	—	21.34	7.45	6.43	—
9.16	17.50	11.28	21.39	16.30	19.07	23.38	13.32	,,	Tientsin Central	,,	7.40	8.03	14.14	16.05	20.11	6.39	5.30	9.15
9.25	17.59	11.36	21.48	16.39	19.15	23.47	13.40	arr.	Tientsin East -	dep.	7.30	7.50	14.00	15.55	20.00	6.30	5.20	9.05
9.35	18.20	11.50	22.20	16.55	—	24.00	13.50	dep.	,, ,,	arr.	7.05	7.36	13.46	15.40	19.50	6.15	4.50	
10.38		12.47		18.03	Stop	1.10	14.47	,,	Tang-ku - - -	dep.		6.31	12.46	14.45	18.51	5.11		
11.46		13.45		19.08		2.18	15.40	,,	Lu-tai - - - -	,,		5.26	11.41	13.48	17.43	4.08		
12.52	FOR SHANGHAI	14.42	FOR PUKOW	20.11		3.32	16.39	,,	Tang-shan - -	,,	FROM SHANGHAI	4.15	10.30	12.50	16.37	2.58	FROM PUKOW	
13.39		15.17		20.47		4.20	17.14	,,	Ku-yeh - - -	,,		3.30	9.44	12.18	16.05	2.16		
14.29		15.49		21.21		5.12	17.46	,,	Lanhsien - - -	,,		2.32	8.45	11.39	15.22	1.18		
15.32		16.31		22.11		6.18	18.28	,,	Chang-li- - -	,,		1.29	7.40	10.58	14.37	0.19		
16.16		17.04		22.46		7.07	19.01	,,	Pei-tai-ho - - -	,,		0.39	6.54	10.27	14.00	23.31		
16.43		17.23		23.08		7.33	19.20	,,	Chin-wang-tao -	,,		0.01	6.25	10.04	13.35	22.59		
17.05		17.40		23.26		7.55	19.37	arr.	Shan-hai-kwan -	,,		23.30	6.00	9.45	13.15	22.30		
		18.40						dep.	,,	arr.						21.26		
		16.25						arr.	Shenyang (Mukden)	dep.						10.15		

S. D.—Sleeping and Dining Cars. D. Dining Car.

Refund of Fares :— Passengers must get Station Master to endorse ticket in connection with which they intend to claim refund.

No. 3 and 22* Temporary suspended.

Tientsin, 1st July, 1934.

BY ORDER.

British Foreign Secretary Does Not Consider Race Clash Inevitable

"The effect of a war between Italy and Ethiopia," Sir Samuel Hoare, British Foreign Secretary, stated last week on a speech in the House of Commons "would in our view be wholly bad . . . . For generations past we and our friends in France have been engaged in a wise and generous policy of eliminating issues between the white and colored races. We do not believe in the inevitability of these colored clashes. We worked not to dig a gulf but to build a bridge between Europe and Africa and Europe and Asia. A war that claimed to be a war between the white and black races would throw intolerable obstacles into this path of reconcilation and mutual understanding."

"The state of Europe", he concluded, "remains one of gloom and apprehension. We must re-examine our resources and see that Britain is firm enough to have a firm policy of peace, and also strong enough to see that the world as a whole respects it."

Mussolini Snaps Fingers at Blond Defenders of Black Races

Signor Mussolimi made a speech to the Black Shirts of July 6, in which he is made the following statements :

"You are invincible. You will soon see five Continents bow and tremble before Fascist power.

"Abyssinia, which you are going to conquer, will be yours entirely. If they resist our formidable power, we shall put them to fire and pillage. We shall reply to the blonde defenders of the black races by snapping our fingers in their faces."

Abyssinians Will Dam Rivers

In the event of war in North Africa, it is expected that Abyssinia will dam the Webi, Shebeli and other rivers with their sources in Abyssina but their outlets through Italian Somaliland. Military advisers of Belgian nationality, who gathered their experience during the Great War, would be able to divert the rivers into the desert, rendering impossible any Italian advance inland along these watersheds.

Southwest Political Council Pays Tribute to Abyssinians

Chow Lu, member of the Council and Chancellor of the Sun Yat-sen University, addressing the Southwest Political Council at Canton in July 22 said that all people of the nation should bear the responsibility of saving the country. Mr. Chow paid high tribute to the courage and determination of the Abyssinian emperor. It was the courage of the Abyssinian emperor in withstanding Italy that stirred up the war spirit of the Abyssinian people and made all powers and the League of Nations make all efforts to settle the issue, Mr. Chow said.

Japan Denies Shipments of Arms to Abyssinia

Joining the War Office in a strong-worded denial of a London report that a Japanese firm had obtained a contract to supply arms to Abyssinia, the Foreign Office Aug. 6 charged that the dispatch was a "malicious fabrication." "Japan does not permit the private manufacture of firearms and, in addition, the Government requires a permit for the exportation of armaments," the spokesman said." The Taihei Guild controls the shipments of arms outside the country and all exports of such material must be handled by that organization.

"I have not heard that the Taihei Guild has applied for a permit to ship arms to Ethiopia. Consequently, I can truly say that the report that a Japanese firm had entered into a contract with the Addis Abbaba government for a supply of armaments is untrue," he added.

Kailan Mines Lose Heavily---Possible Sale to Japanese?

According to a Tokyo dispatch of the *Hwahen* News Agency, the Kailan Coal Mine, which forms the nucleus of the British interests in North China, suffered a loss of about $400,000 as a result of business depression and the competition from Fushun and Shansi coal, and in view of the expansion of Japanese influence along the Peiping-Mukden Railway line district, sees little prospect of business recovery in the future. The same dispatch said that according to reports in the Japanese papers the British authorities intend to transfer their rights to the Kailan Mine and its subsidiary enterprises to Japan and make it a joint interest of China, Great Britain and Japan. The Japanese side, the dispatch further said, is very willing to accept the British offer since the Japanese are endeavoring to develop North China economically and to get hold of the actual power over the port of Chingwantao.

The *Shun Pao* recalls that the Kailan Mining Corporation is the administrative organ of the Kailan Mine formed jointly by the British Kaiping Coal Mine Company and the Chinese Luanchow Mining Corporation which entered into agreement in 1912. The British rights to the Mine as reported by the Japanese papers, are evidently those pertaining to the Kaiping Company. To the Kailan Mine, the business depression at present is not so important as are the difficulties that lie in the way of its management as a result of its repeated labor troubles and the menace to peace and order in its district since Luantung is in the chaotic Demilitarized Zone.

Japan to Have Ten Million Cotton Spindles by End of 1935

The number of spindles in Japanese cotton mills by the end of this year will exceed 10,000,000, showing a gain of about 300,000 as compared with the present number, the Federation of Cotton Spinners announced in Osaka, August 3. The total of spindles in operation on August 1 was 9,812,356, representing an increase of 802,638 over the figure for the corresponding date of last year and a gain of 506,941 over the figure for last January. The number of spindles in operation has formed the subject of a bitter controversy between the large mills, led by the Kanegafuchi and Toyo interests, and the small enterprises, with the latter demanding a drastic cut in the number of spindles. The "big business" interests are insisting on increasing the output, in view of the "promising market outlook," and to satisfy the expected demand of the United States and China.

U. S. Report Shows How Japanese Cotton Industry Has Developed

A preliminary report to the United States Department of Agriculture on the consumption of American and other growths of cotton in Japan by Messrs. Fred Taylor and Rodney Whitaker, shows that the quantity of American ordinarily sold in foreign markets amounts on the average to more than one-half of the American crop, and of this quantity over one-fifth was exported to Japan during the five years ended 1933-4. In that year the mills of Japan consumed more cotton than those of any other country except the United States. Exports of American cotton to Japan in 1933-4 were more than eight times as large as they were during the last three decades, whereas the total exports of American cotton to all countries has shown no appreciable upward trend. Japan was the largest foreign market for American cotton in 1931-2 and 1933-4, receiving about 2,300,000 bales, or 26 per cent of the total exports in the former year, and about 1,850,000 bales, or 24 per cent in the latter year.

The rapid development of the Japanese cotton industry was (say the writers of the report) especially remarkable, having regard to the adverse circumstances. In the beginning Japan was dependent almost entirely upon imports of foreign machinery and is still dependent upon foreign supplies of raw materials. These disadvantages are apparently more than offset by cheap labor and nearness of the markets of the Far East. In addition the Japanese have become skilful in mixing American cotton with less expensive Indian and Chinese cotton, thereby gaining an advantage in raw-material costs, and Japanese cotton merchants and mill-owners have developed efficient methods of marketing cotton cloth. Japanese spinners are said to have developed methods of mixing and blending growths of cotton having a wider range of staple length than those mixed in the mills of any other leading country. Until recent years two cottons having staple lengths differing by more than one-sixteenth inch were seldom, if ever, mixed by cotton-spinners in the United States, but during the last few years the mixing of a wider range of staples is becoming more common. In Japan the mixing of two growths having staple lengths differing more than one-eighth inch is reported to be not uncommon.

The Japanese cotton mills, this American report declares, rank second only to those of the United States as consumers of raw cotton, but as seventh from the standpoint of total cotton-spinning machinery as measured by active and idle cotton spindles. The larger output per spindle in Oriental countries was accounted for by several factors, foremost among which are the fewer obsolete spindles and more continuous operation of all spindles, and the spinning of a large proportion of coarse yarns for clothing and household purposes with a small proportion of yarns requiring extra strength for industrial purposes. These two factors relate particularly to Japan.

Cotton Yarn Production in Japan Shows Decrease

Cotton yarn production in Japan during July decreased by 23,201½ bales, in comparison with June, the Federation of Cotton Spinners of Japan announced Aug. 5. The total production for the month was 281,297 bales.

Further Curtailment of Spinning Operations Considered Inevitable

The supply and demand committee appointed to present a scheme to the operation curtailment committee of the Japan Cotton Spinners' Association to meet about August 10 held its first session Aug. 1 when it discussed the question of the stock in hand and other problems relating to the supply and demand equilibrium. It is generally felt that a further curtailment of operation is inevitable since the determination of the next-period curtailment rate presupposes solution of the question of new spindles which is under discussion by the special committee of the Association.

Decline in Japanese Exports to Shanghai

The Shanghai *Nichi Nichi* says that large quantities of Japanese goods which were imported into China in April and May, have been stored up and have not been sold. As a result most of the importers are facing a most difficult situation.

Because of the favorable conditions of exchange, and because the anti-Japanese boycott had been completely discontinued, Japanese exports to China had increased considerably in the first half of this year. However, a rapid decline in the Japanese exports to China was seen in the month of July, when, for example, the ships of Nippon Yussen Kaisha only loaded 15,700,000 tons of Japanese goods bound for Shanghai.—50 percent less than in June, 63% less than in April and May of this year, and 35% less than in the corresponding period of last year.

More Japanese Ships on Brazilian Run to Carry Cotton

Japanese shipping companies are planning to place extra vessels on the Brazilian route during 1936 in the expectation that Japan will purchase 100,000 bales of cotton from the South American republic during the year.

Japanese Spinners Willing to Agree to Curtailment of Operations

Japanese spinners in China are willing to agree to a proposal for a nation-wide curtailment of operations if a concrete plan is presented to them by their Chinese competitiors, Ko Tsutsumi, a director of the Japanese Cotton Millowners in China, was quoted as saying by the Shanghai *Nichi-Nichi* July 6. The Japanese operators were sounded out by the Chinese as to their attitude towards such action through the intermediary of officials from the British-owned Ewo Mills, the newspaper added. "But we cannot agree to real co-operation so long as the Chinese insist upon blaming us for their woes and carry on a movement against our products on the ground that they are foreign, despite the fact that we use Chinese cotton and Chinese labor, just as much as they do," he is reported to have said.

Japanese millowners, Mr. Tatsumi was quoted as having said, have no intention to drive their Chinese competitors to the wall and buy their properties. "Why should be do that, when we can install a modern spindle for 40 yen, while the machinery in local mills is obsolete," he is said to have remarked.

Japanese mills have been curtailing operations from 20 to 35 percent, but are willing to agree to a further cut in production, provided it is made mation-wide.

A Japanese Scheme to Oust Chinese Merchants in Foreign Countries

Forcing some 5,000,000 Chinese merchants out of business in countries where they have prospered and replacing them with Japanese merchants who would sell Japanese is one of the plans advocated by Isamu Hishinuma, chief of the trade section of the Ministry of Commerce and Industry, to increase Japan's export trade.

While an increase in the number of Japanese merchants in all countries is advocated as a general policy for expanding commerce, Mr. Hishinuma argues that, if native merchants in those countries are forced out of business, unemployment, with ill feeling, will follow.

He mentioned that since the Manchurian incident, Chinese merchants in the Netherlands East Indies, the South Seas, Central and South America no longer handle Japanese goods, as they once did.

Japanese Forge Ahead in Foreign and Retail Trade in Philippines

Japan, now second only to the United States in trade with the Philippines, has $7,551,047 invested in the islands, it is disclosed by a survey made by the Insular Department of Agriculture and Commerce. The bulk of the investment is in the production of Manila hemp in the province of Davao on the southernmost island of Mindanao, where there are 13,000 or more Japanese colonists. Japanese are threatening to wrest control of the retail trade in the islands from the Chinese, who have dominated it from time immemorial. "The seemingly incredible pace which Japan has made in the Philippine foreign trade race, from an insignificant and obscure position to one of controlling prominence, reveals the outstanding result of a well-organized and definitely planned economic policy," commented Senor Eulogio Rodriguez, the Secretary of Agriculture and Commerce.

Senator Jesse H. Metcalf, Republican, of Rhode Island, said July 30 that, in his opinion, the salvation of the United States textile industry lies in the imposition of a tariff to protect the domestic market rather than in an attempt to compete in Asia. "I hope," he said, "that the Philippine Legislature enacts a duty on Japanese imports which will benefit our mills considerably."

A Comparison of Japanese and Philippine Government Salaries

(From the Philippines Herald of June 29, 1935.)

JAPAN	P. I.
Premier, Salary: P.5,760 (with official residence)	GovernorGeneral, P.36,000 (with official residence)
President, House of Peers, P.4,500	President of Senate, P.12,000
President, House of Representatives, P.4,500	Speaker, House of Representatives, P.12,000
Cabinet Minister, P.4,080	Dept. Secretary, P.10,200
Vice-Minister, P3,480	Under-Secretary, P.7,225
President Judge Supreme Court, P.4,080	Chief Justice, Supreme Court, P.21,000
Public Procurator General, P.3,960	Solicitor General, P.6,800
President, Imperial University, P.3,480	President, University of the Philippines, P.10,200
Superintendent, Metropolitan Police, P3,480	Chief, Philippine Constabulary, P.6,120
Member, House of Peers, P.1,800	Member, Philippine Senate, P.7,000
Member, House of Representatives, P.1,800	Member, House of Representatives, P.6,500
President, Bureau of Public Works, P.3,480	Director, Bureau of Public Works, P.6,120
President, Bureau of Statistics, P.3,480	Chief, Statistics Division, P3,570
Chief of Bureau, P2,790	Bureau Director, P.6,120
Mayor of Tokyo, P12,000, Population, P.7,000,000	Mayor of Manila, P.10,000, Population, 300,000
Prefectural Governor, P.3,110 (first class)	Provincial Governor, P.6,000 (first class)
Prefectural Governor P.2,952 (second class)	Provincial Governor, P.5,400 (second class)
Total Budget of apanese Government, P.1,385,648,400.00.	*Total Budget of P.I. Government*, P.54,174,337.10.

TOTAL WEALTH

Japan. . . . P.66,112,802,400.00 P. I. P.6,676,876,000.00

FOREIGN TRADE

Japan. . . . P.2,672,761,160.80 P. I. P.338,021,492.00

Note :—The figures representing Japanese salaries have been reduced to pesos from yen on the basis of current exchange rate. A Philippine Peso is worth 50-cents in U. S. Currency.

British Trades Union Congress Urges Socialization of Cotton Industry

The socialization of the British cotton industry as a means of combatting increasing competition from Japan, particularly in the Indian and Chinese markets, was advocated by the general council of the British Trades Union congress. In a 32-page booklet issued recently the council disclosed a plan for transferring the industry from private ownership into a "great public service." The scheme would be set up by an act of parliament and the British Cotton Corporation would take over all businesses and undertaking engaged in spinning, manufacturing, finishing, packing, and marketing. The importation of raw cotton would remain in the hands of the Liverpool cotton market. On the financial aspect of the transfer of the industry to public ownership, the council holds that the amount of compensation "must depend on the general circumstances prevailing at the time of socialization." The council insists that the depression in Lancashire has been greatly aggravated by intensive internal competition and the impossibility of securing an agreement on coordination of the cotton industry.

Funatsu Condemns China's Raw Cotton Tariff

China's high-tariff policy on raw cotton was decried as "short-sighted" by Mr. Funatsu, director-general of the Japanese Cotton Millowners in China, while on a visit to Tientsin last week. "Japanese mills in China are generally producing finer threads with imported raw cotton, but since the 43 per cent increase in the Chinese tariff on raw cotton last year, we are unable to compete with foreign goods which are manufactured free of duty. "We used to export from $40,000,000 to $70,000,000 from Shanghai alone every year, but shipments abroad last year dropped to $30,000,000. This is solely due to the short-sighted policy of the Nanking Government," Mr. Funatsu said.

For Fast and Efficient Radio Telegraph Service to all Parts of the World Send

RADIOGRAMS

"Via RCA"

RADIO IS THE QUICKEST AND MOST RELIABLE MEDIUM FOR ALL TELEGRAPHIC COMMUNICATIONS. IT HAS BROUGHT ABOUT RATE REDUCTIONS AND INAUGURATED NEW CLASSES OF SERVICE TO MANY COUNTRIES ...

In CHINA file your messages "via CGRA—RCA"

(Chinese Government Radio Administration R.C.A. Communications, Inc.)

R.C.A. Communications, Inc.

(A Radio Corporation of America Subsidiary)

Office of Representative- Sassoon House—Shanghai.

Chinese Business Leaders Urge Note Issue on Nanking

That a note issue be floated by the Central Government for circulation as valid currency throughout the country is advocated in a petition submitted to Central Government offices in Nanking by a delegation of ten local business leaders. The notes to be issued by the Central Government as valid currency, according to the petition, may be obtained by anybody in possession of goods or other property which are to be accepted as securities for the note issue. Thus, the difficulties arising from the present "tight money" situation, it is pointed out in the petition, would be overcome. With regard to encouraging China's export trade, it was recommended in the petition that a central organization exercising control of foreign exchanges and remittances be established.

Rumors of Currency Inflation Officially Denied at Nanking

The rumors circulating in Shanghai and abroad that China has decided to adopt a policy of currency inflation are groundless, the *Kuo Min News Agency* was officially informed August 4. The responsible authorities have not even considered the question of adopting currency inflation, a spokesman of the Ministry of Finance said. Continuing, the spokesman said that the rumors have apparently arisen from erroneous reports that the Government intend to introduce a new system of nickel subsidiary coins. While the use of nickel in lieu of copper (not silver) was recommended by the Kemmerer Commission in 1929, the suggestion has never been acted upon, he said. The Monetary Research Committee of the Ministry of Finance has been studying the question of subsidiary coinage, but it has neither recommended the use of nickel as a substitute for silver coins, nor has the Ministry decided to adopt any form of nickel alloy for the purpose.

French Will Also Send Financial Mission to China

The French Government has definitely decided to send a financial mission to China with a view to studying the financial and monetary conditions in that country. The mission will comprise M. Felix Lenorcy, an official of the French Minister of Finance now occupying the post of Adjoint Financial attache at the French Embassy in London, and an official of the Banque de France, to be designated later.

The Mission will leave France, probably some time in September, and will be in Nanking at the same time as the British mission and the American financial representative.

Kiangsu Factory Owners Ask Ministry of Finance for $20,000,000 to Fight Depression

A decision to request the Ministry of Finance to issue a loan of $20 millions for the relief of the industrial and commercial depression in Kiangsu, following the precedent created in Shanghai, was reached at the second meeting of the Board of Directors of the Kiangsu Federation of Native Factories held in Chinkiang. The loan will be secured on the machinery and equipment of the various factories and will be redeemed in five years. The Central authorities are to be requested to instruct the Executive and Judicial Yuans to jointly devise measures for the temporary suspension of judicial proceedings concerning commercial debts. The Government is to be petitioned to establish agricultural Control Bureaus in the various districts with a view to enhancing rural productivity and increasing the purchasing power of the people. In order to tide over the present economic difficulties, the Government will also be urged to prohibit the management or the labor union of any factory to resort to lockouts or strikes in case of disputes.

Japanese Paper Charges That Chinese Government Officials Are Speculating

The Shanghai *Mainichi* in an editorial August 5 stressed the role which speculation is playing in the present financial situation in Shanghai. It said: "Speculation by Government leaders in the currency market has been particularly acute, since the Government adopted measures to strengthen its control over exchange and other financial activities. It is not unfair to say that the present currency uneasiness in the direct result of the tremendous speculation by Government leaders who are using their official power to serve their personal interests. They have bought heavily in gold bars and in the exchange market, and in this way have given birth to rumors which tend to lower the price of silver."

Looking possimistically at the future, the paper declares that it is rather difficult to foretell exactly what the future of the currency situation in Shanghai will be.

House of Commons Discusses Chinese Bonds

In the House of Commons July 29 a member asked the Foreign Secretary what he proposed to do in view of the recent representations of the committee of British holders of Chinese Government bonds. Sir Samuel Hoare said he presumed the question referred to the Chinese Government ten-year bills of 1918 and ten-year treasury notes of 1919. The case of British holders of these and other issues had been the subject of repeated representations to the Chinese Government and would continue to be the subject of such representations at every favorable opportunity. Beyond that, no special steps could be taken.

Cromwell Says British Try to Thwart American Silver Buying Policy

Richard Henry Roberts Cromwell, financier and economist while in Shanghai last week in company with his wife the former Miss Doris Duke, stated in an interview that Great Britain, using China as a shield, is making every effort to discredit American attempts to restore the 1926 level of world commodity prices. The purpose of British attacks upon the American silver buying policy is apparently a determination of maintaining a minus 1914 price level at all cost.

Mr. Cromwell has written a number of brochures on monetary problems, the latest of which "The Lion's Share" was published in February. This booklet is a strong criticism of the deflationary policies of the Bank of England. Although the tactics of the Roosevelt Administration in buying silver without simultaneously selling gold are most regrettable, and although their methods of operation are clumsy and amateurish, it is important to remember that the fundamental objective is a restoration of the international commodity price structure which has been wrecked by the policies of the Bank of England," Mr. Cromwell said.

A. O. Bank Audit Will Not Be Ready for a Month, Says Liquidator Hough

Frank L. Hough, liquidator of the defunct American Oriental Bank and allied institutions, issued a statement end of last week to the effect that it will probably be another month, or possibly six weeks, before the official audits are completed. Mr. Hough pointed out that the work of making these audits was a tremendous task and had entailed more work than originally anticipated. While he had originally hoped to have the audits completed in August, there is now considerable doubt when the work will be finished, or a statement prepared before the middle of September, it was revealed. Regarding the Asia Realty Company, the audit of that firm is said to be nearing completion, but whether a statement will be issued is another matter. Mr. Hough pointed out that since this concern is not in liquidation, it is possible that no public statement will be made.

In the meantime, the work of preparing for the three actions taken against F. J. Raven, former head of the defunct concerns, in the United States Court for China, is continuing. Motions to set the date of hearing of these matters will probably not be made before September. Richard T. Evans, of Tientsin, who is handling the defense for Mr. Raven, is not expected back in Shanghai for several weeks.

Ford Motor Co. Prominent Among Exhibitors at San Diego Exposition

The Exposition at San Diego, California, which opened May 29 will continue until November 11. Chief among the hundreds of exhibits is the Ford exposition, a large circular building which houses exhibits dramatizing the progress of raw materials from the earth to the finished product—the modern Ford V-8 car.

French Visitor Sees Great Prosperity Ahead for China

China faces a prosperous future, according to C. Delcour, vice-president of the Societe Francaise Hollerith, who is at present visiting Shanghai on business. Mr. Delcour, although representing a Paris office, has recently spent several in months in the United States studying economic conditions. He included Harvard University in his research work and spent some time there in study. Mr. Delcour in his journey to the Far East has spent considerable time in Japanand Manchuria.

Unemployed Coolies at Nanking Wreck Ninpu Ferry

In one of the most daring water-way outrages that has happended in the vicinity of Nanking, a gang of more than 600 unemployed ricksha coolies wrecked the Ninpu ferry and carried away six of the passengers aboard the ship Aug. 5. The ferry, flyin between Nanking and Puchen, a small town north of Pukow, sailed from Hsiakwan early in the morning carrying about 20 passengers. As the steamer reached the Chintang River, it was held up by the jobless ricksha pullers aboard two junks. The gang at once leaped into the ferry and started to smash down everything, injured several officers on ship and kidnapped six passengers. The culprits made good their escape before the gendarmes arrived on the scene.

Tientsin Bureau Draws Up Measures to Improve Cotton Cultivation

Measures governing the improvement of cotton cultivation and the control of transportation and marketing of cotton have been drawn up by the Committee for the Improvement of Cotton Production organized by the Tientsin Bureau for the Testing and Inspection of Commercial Commodities. The Cotton Control Committee under the National Economic Council, it is learnt, will shortly depute Tsou Ping-wen to Tientsin to investigate conditions in connection with the production of cotton in North China and to confer with interested quarters on measures for the improvement of the cotton industry.

B. A. T. Hsuchong Plant Is Ordered to Close

Considering the opening by the British-American Tobacco Company of a plant in Hsuchong, one of China's tobacco producing centers, as contrary to treaties, the National Government has instructed the Ministries of Foreign Affairs, Industry and Finance to discuss measures to order closure of the plant. The three Ministries are understood to have discussed the issue at a meeting held recently at the Waichiaopu offices.

Japanese Oppose Sugar Monopoly

Vigorous opposition has been launched by foreign interests, especially the Japanese, and most of the Chinese sugar traders against the plan of Hwang Kiang-chuan, sugar magnate in Java, to create a sugar monopoly organization, to be called The China Sugar Company. As a result it is stated that activities in carrying out Mr. Hwang's program have been suspended. However, Mr. Hwang is continuing his efforts to establish a sugar monopoly. According to reports received here from Tokyo, Lin Chen-kee, the compradore for the Japanese Suzuki Co., was sent to Tokyo by Mr. Hwang, as his personal representative after coming to a mutual understanding with Liang Ho-chun, Chairman of the Sugar Control Committee.

Canton-Samshui Railway to Be Extended to Wuchow

The Kwangtung Provincial Government has decided to extend the Canton-Samshui Railway to Wuchow, Eastern Kwangsi, passing through Szewui in north-western Kwangtung and Hohsien and Papu in Eastern Kwangsi. The projected line is 230 kilometers long and will require $10 millions to construct. Surveys are being conducted by deputies of the Provincial Department of Reconstruction.

T. L. Soong Named Chairman of New P.O. Bank Supervisors

Members of the newly-organized Board of Supervisiors of the Postal Remittances and Savings Bank formally assumed office August 1. T. L. Soong, general manager of the China Development Finance Corporation is chairman of the board. Other members of the board include Messrs. Lin Chin-yu, Wu Ta-chun, China Fen, Wang Hsiao-lai, Y. M. Chien, Chow Pei-chen, and Huang Tsung-hsiao.

Lingling Bridge Completed After Two Years Work

Construction of the Huitung steel bridge in Lingling, western Yunnan, has been completed after two years' work. The bridge is 369 feet long and 9 feet wide and has been built at a cost of over $80,000. In recognition of his diligent supervision of the engineering operations, the Yunnan Provincial Government has awarded Chiu Tien-pei, District Magistrate of Lungling, two major merits.

Tsingtao Joins in Protests Against Revised Press Law

Joining the chorus of protests against the new Revised Press Law, the Tsingtao Press Reporters' Association has despatched a petition to the Executive and Legislative Yuans expressing its objections to the new Law. The restrictions provided in the Law are too severe, it is pointed out, and are contrary to the policy of the Party and the Government for encouraging publ c opinion. The formulation of a new set of general principles on which to base the revision of the Law is therefore urged.

Colleges May Not Admit Students from Unregistered Schools

Beginning with the coming academic year, no university or college may admit students transferred from any unregistered private college or graduated from any unregistered private school according to a circular order issued by the Ministry of Education to all universities and colleges throughout the country.

交通大學研究所

THE CHIAO-TUNG UNIVERSITY

RESEARCH INSTITUTE

With Branches at Tangshan and Peiping

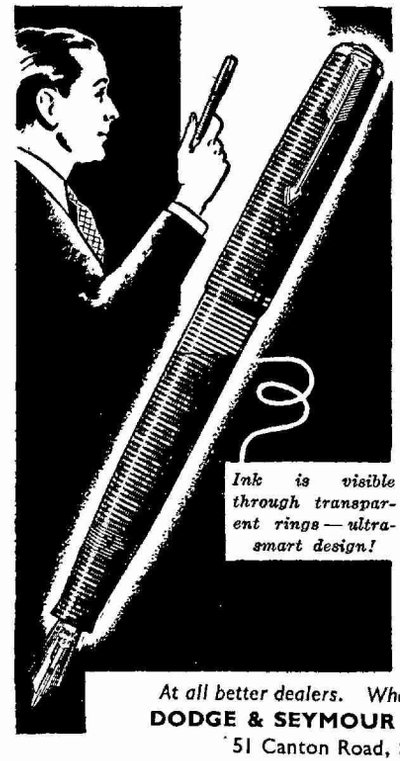
I. Division of Industrial Research

(1) Bureau of Engineering Design
(2) Bureau of Material Testing
(3) Bureau of Machine Testing
(4) Bureau of Electrical Testing
(5) Bureau of Physical Testing
(6) Bureau of Chemical Testing

II. Division of Economic Research

(1) Bureau of Social Economy
(2) Bureau of Industrial Economy
(3) Bureau of Communications
(4) Bureau of Administration
(5) Bureau of Accounts
(6) Bureau of Statistics

All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.



HOLD IT TO THE LIGHT and SEE the INK WITHIN

THE amazing Parker Vacumatic holds 102% more ink—enough to write many thousand words! And that double ink supply is *always* visible! Through the gleaming, iridescent "little windows," of built-up rings of shimmering Pearl and Jet—you can plainly see the ink-level. The precious platinum, gold and iridium point is perfectly formed—and writes on *either* side! Visit the nearest good store and say "I want a Parker Vacumatic."

At all better dealers. Wholesale inquiries to
DODGE & SEYMOUR (CHINA), LTD.
51 Canton Road, Shanghai

Parker VACUMATIC

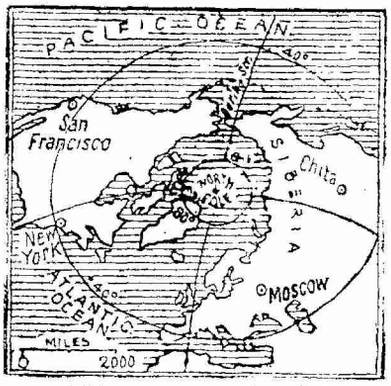
(G)

73-421

Soviet Attempt to Fly Over North Pole Gets Set-Back

The spectacular flight from Moscow to San Francisco via the North Pole, which the Soviet aviator Levanevsky tried to make—he having taken off from Moscow on the morning of Aug. 31—encountered its first set-back when the crew noticed that a leak in the lubrication system was using up more than the normal quantity of oil. Because they were unable to ascertain or remove the cause of this phenomenon, the crew reported the matter to the Chief administration of the Northern Sea Route and asked for permission to turn around and return to one of the airdromes in the Leningrad region. Upon receipt of this permission, the airplane took a return course from the southern part of Berents Sea, heading across the Kola Peninsula, White Sea, and Petrozavodsk towards Leningrad. Twenty-two hours and 30 minutes after the plane left Moscow, the Chief Administration of the Northern Sea Route received a second report saying that the airplane had landed safely at an airdrome south of Leningrad where it was directed to land.

"OVER THE POLE TO FRISCO"



This map, reproduced from the *Manchester Guardian*, indicates the route and distance from Moscow to San Francisco, via the North Pole. The distance is 6,200 miles in direct flight.

The Soviet authorities hope to establish a regular air service between Russia and America via the Pole. It was stated that Levanevsky had been provided with sufficient equipment and provisions to live for three months in the event of a forced landing in the Polar regions. Prof. Otto Schmidt, the Soviet polar explorer, who headed the Cheliuskin expedition, which was stranded on an ice-floe in the Arctic Sea and rescued under particularly hard conditions by Soviet airmen, including M. Levanevsky, in a statement several days before the flight was attempted said, "If the venture proves a success, the information gathered by the airmen and complementary studies will enable the creation of a regular commercial, passenger and freight air service, via the North Pole, between U.S.S.R. and the United States."

Will Rogers Joins Wiley Post in U.S.-Moscow Flights

Wiley Post, the American aviator, was busy at Seattle this week testing pontoons which are to be attached to his airplane preparatory to starting his flight to Moscow, via Alaska. Will Rogers, stage and screen comedian, has announced that he will accompany Mr. and Mrs. Post as far as Juneau, Alaska, on their comtemplated leisurely trip to Moscow dna around the world by air.

Kienchiao Authorities Hold C.N.A.C. Plane

The China National Aviation Corporation's Stinson monoplane which was grounded by officers at the military airdrome at Kienchiao, Hangchow last week after it had flown down to the Lake City under special charter and carrying Mr. and Mrs. H. R. Cromwell, multi-millionaire American couple, was held by the Kienchiao authorities. Permission was obtained to fly the plane to Kienchiao, but officers there said they did not at first know it was to carry foreigners and grounded it when it arrived. Mr. and Mrs. Cromwell, however, spent the day in Hangchow while the pilot, Hewitt F. Mitchell, returned to Shanghai by train, leaving the plane. The Cromwells, also, returned by train.

Nanking Rejects Sino-American and Sino-British Airlines Proposals

The proposals by the Pan-American Aviation Corporation of America to link up China and Honolulu and by the Far Eastern Aviation Corporation of Great Britain to link Great Britain and China by way of Hongkong, have been rejected by the Ministries of Foreign Affairs and Communications on behalf of the Central Government. The *China Times* published a report that the projected lines have been cancelled.

E. W. Dichman Will Look After Boeing Interests in Absence of Wellwood E. Beall

Mr. and Mrs. Wellwood E. Beall sailed August 6 on the s.s. *President Jefferson* for Seattle where Mr. Beall will confer with the directors of the Boeing Aircraft Company relative to his survey of aeronautical business in China. Mr. Beall, who is the Far Eastern manager for the Boeing and Stearman Aircraft Companies, has been in the Orient for a year visiting the many air bases throught China. Mr. Beall announces that while he is in the United States, Major Ernest W. Dichman, Assistant to the President of United Aircraft Exports, will look after the Boeing and Stearman interests. Major Dichman, who arrived with Mrs. Dichman several months ago, has been making a similar study of market conditions for the United Aircraft Exports of Hartford, Connecticut.

British Fighting Plane Equipped with Cannon Comes to Grief in Belgium

Lieutenant Trower, a British pilot attached to the Fairey factory at Gosselies, in Belgium, was killed instantly July 17 when he was piloting one of the latest British types of fighting planes. The machine, which was the newest product of the British aircraft industry, was entered for competition at Brussels with the products of foreign countries in connection with the Belgian fighter-replacement plan. The machine had a speed of approximately 250 miles an hour, was equipped with four machine-guns and a 20mm. quick firing cannon, shooting ¾lb. shells through the airscrew boss. The gun was built as part of the engine and had a magazine carrying 60 shells.

Britain and U.S. as Rivals in Trans-Pacific Air Services

Keen rivalry between Great Britain and the United States for the development of the air routes across the Pacific was indicated by the arrival of Sir Edward Campbell, Parliamentary Secretary to the Postmaster General, and Sir Frederick Williamson, British Director of Postal Services, in San Francisco July 10, the visit coinciding with the exploration of the southern air routes by an American Coastguard vessel. On arrival in Honolulu, from a cruise through the South Seas, those on board the U.S. Coastguard cutter *Itasca* admitted that a thorough survey had been made of the following islands with a view to their establishment as air bases —Palmyra, Jarvis, Baker, Howland, and Swains Island, and that a number of men were left on each island to colonize them and prepare them for use as airports. Favorable reports were made on all these islands.

Japanese Flyer Arrives in Shanghai in Course of London-Tokyo Flight

Katsutaro Ano, a Japanese flier who has been more than two months making a flight from London, arrived in Shanghai August 4, from Foochow. He was honored at a tea party at the Shanghai Japanese Club August 6. The hosts were Mr. Ishii, Consul-General Kyutaro Sugimoto, temporary president of the Japanese Residents Corporation, Masaji Yoshida, vice-president of the Japanese Chamber of Commerce and Industry; and Yoshisaburo Amano, chairman of the Committee of Federation of Street Unions. Mr. Ano will later fly to Tokyo.

French Stratosphere Plane Bursts Into Flames

The only stratosphere plane possessed by France ended its career Aug. 5 in tragic circumstances when it crashed in flames near Bonnieres. M. Cogno, the pilot, was burned to death. The machine, which had only recently been completed after three years' work, was being tested at an altitude of 33,000 ft., and had been in the air for 73 minutes when it burst into flames.

Italy Will Rely on Airplanes to Overwhelm Abyssinia

The removal of two Italian divisions from the French frontier would seem to lend credence to reports that a military understanding between France and Italy was reached during the recent visit to Italy of General Gamelin, the French military chief-of-staff. This would enable the Italian Government to withdraw troops from the French frontier for service in Africa or for the protection of Italy's northern frontier against a possible invasion by Germany. It is understood that both the new divisions formed to replace those going to Africa are being sent to the South Tyrol frontier.

While Italy is mobilizing a large Army, the Government is relying on the air arm for success in the inevitable campaign against Abyssinia. Intensive training is being carried out in Sicily with a special new high-speed plane capable of carrying 500 two lb. bombs, egther of tear-gas, or special shrapnel bombs. It is understood that, at the opening of the campaign, the Italians intend to overwhelm Abyssinia with a mass air attack of 400 planes which will use tear-gas. If pushed to it, they will use poison gas.

The Italian troops are being provided with a specially designed light gas mask.

Fifty high-speed plans already manufactured at the Fiat works, are being used for practice, and 200 more have been ordered. They are equipped with two engines and are capable of developing a speed of 300 miles an hour.

As a result of the latest mobilization orders, which call up 70,000 more troops for service in Africa, comprising two divisions of the regular Army and one division of Black Shirts, Italy now has about 900,000 men under arms.

Italian Gift Plane Arrives in Shanghai—Delayed at Hongkong

After several days delay in Hongkong due to unfavorable weather conditions the tri-motored Savoia Marchetti S-72, Italian plane, which is being presented as a personal gift from Premier Mussolini to Generalissimo Chiang Kai-shek, landed at the Hungjao Aerodrome at 3.50 p.m. Aug. 4, under the command of Colonel Silvio Scaroni, famous Italian war ace. Members of the local Italian community, headed by Ambassador and Signora H. V. Lojacona, Consul-General, Comm. L. Neyrone and the Air Attache, Captain Furio Drago, turned out to greet the plane. A number of Chinese officials also assembled at the airdrome to greet the flyers. S. W. Tong, secretary of the City Government, was present on behalf of Mayor Wu Teh-chen, while Y. S. Lee represented Dr. H. H. Kung.

Two Chinese Government machines, one piloted by Captain Zotti, Italian flier and the other by Major Kao, leader of two flying squadrons in Nanchang, flew out to meet the Italian plane, escorted it to the field and also when it flew over the city for about a quarter-of-an-hour.

Bandits Take Gareth Jones Across Border into Jehol

Reports that Gareth Jones, Manchester *Guardian* correspondent, has been carried across the Jehol border were confirmed Aug. 6 by Dr. H. Mueller, the German journalist, who was released three days after he and Jones were taken captive, when he returned to Kalgan and declared that the bandits did not collect the $8000 ransom money which was sent to Paochang. Instead, the outlaws unaccountably took Mr. Jones across the Jehol border. Colonel Matsu, head of the Japanese military mission in Kalgan, informed Dr. Mueller that Jones was across the border, and that they had ways and means of securing his release which, he thought, could be accomplished within a day or two, after which they would take him to Jehol and then send him to Peiping.

Manchurian Summer Resort Captured by Bandits

The summer resort, Erhtientantze, on the eastern section of the Chinese Eastern Railway, was captured by a band of 100 bandits at midnight Aug. 2 after an attack lasting three hours. The desperadoes thoroughly plundered the place, and, just before departing with three Russian holiday-makers as hostages, started fires in different parts of the town. During the disturbance a Russian was killed.

Railway Train Has Narrow Escape from Dynamite

A crowded passenger train travelling on the eastern section of the Chinese Eastern (North Manchuria) Railway came within 18 feet of being wrecked by a charge of dynamite laid under one of the rails July 26. When between stations Mifun and Maoershanchan, the driver noticed that the track had been tampered with. Although he applied all brakes, he only succeeded in bringing the train to a standstill 18 feet from the mine. Seeing that their attempt to blow up the train had failed, 60 Chinese bandits lying in ambush nearby immediately opened heavy fire. The train guard, armed with automatic rifles, succeeded in resisting the attack, but two soldiers were seriously wounded. The bandits later retreated with their dead and wounded.

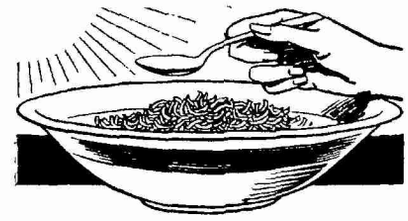
Thirteen Japanese and Manchukuoans captured by bandits in a raid on a train bound from Hsinking to Seishin on July 30 were released by the pursuing troops at 8 o'clock on the night of August 3.

Bodies of Japanese Murdered in Hsingan Brought to Hsinking

Bodies of seven Japanese brutally murdered in a bandit raid on the office of the Naman Banner in West Hsingan on July 23, were brought to Hsinking by train Aug. 5. The seven persons, including six Japanese officials employed by the Manchukuo Government, and a woman were killed in cold-blood, following a noon attack by 500 brigands on the Banner Office. Mr. Fujikawa, a Japanese Captain in the Manchukuo Police Service, and Mrs. Fujikawa, escaped the outlaws, disguised in Chinese clothes and were rescued two days later by the Japanese punitive force. The Manchukuoan chief of police at the Naman Banner Office also managed to escape.

Three Chinese Communists Arrested After Raid on Japanese Club in Singapore

Three leaders of a band of about 40 to 50 men, said to be "Chinese Communists," were arrested by the British authorities in Singapore, after they had raided and wrecked the premises of the Japanese Club there, a report appearing in all three Japanese language papers in Shanghai Aug. 5 stated. The raiders, all armed with steel bars, the reports said, broke into the Club premises during the night shouting "Down with Japanese Imperialism."



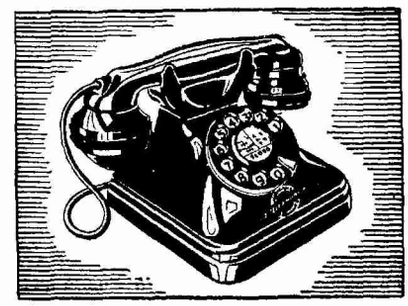
EAT *and be* . . . *healthy*

You can trace it back to the table almost every time. The man or woman with the sunny disposition, bright eyes, healthy enthusiasm for work or play usually eats correctly.

Proper "bulk" in the food means normal, regular elimination. Without it come loss of appetite, headaches, blotchy complexion and the irritability of the chronically constipated. Avoid harsh, artificial pills and drugs. Eat two tablespoonfuls of delicious Kellogg's ALL-BRAN daily and bring those lazy intestines back to normal regularity. It also contains Vitamin B and iron which tone the system and make rich blood.

No cooking necessary. Serve from the packet, with cold milk or cream. Your grocer sells it.

Kellogg's
ALL-BRAN
the gentle, natural way to relieve
CONSTIPATION
CONNELL BROS. CO. LTD.
868 P. O. Box 342, SHANGHAI



A Telephone in Your Home
SAVES MORE THAN IT COSTS

SAVES TIME... because you are in instant touch with friends, office and school.

SAVES EFFORT... you can shop by telephone, make appointments, book theatre seats.

SAVES ANXIETY... you know that in an emergency you can reach help in a matter of seconds.

Your Telephone actually saves more than its own cost of less than 30 cents a day. Why be without a telephone in your home?

Call our Business Office, Telephone 94090, and order your Telephone today. Or, any of our employees will gladly take your order.

SHANGHAI TELEPHONE COMPANY

M. T. Mag 8-35

Britain Becomes "Pro-German" and "Pro-Japanese"

BY HARRY J. GREENWALL

THE new Baldwin Cabinet has made a very inauspicious entry into the field of foreign policy. The substitution of Sir Samuel Hoare for Sir John Simon as Foreign Secretary was hailed in some quarters as forecasting a more intransigeant attitude towards Japan, but the truth is that only a very small minority of people in Great Britain realize the grave danger to the British Empire, and particularly to British prestige in the Far East.

It is apparent that in several very influential quarters there is a disposition to curry favor both with Japan and Germany. Lord Rothermere, who is the head of the most powerful Press Combine in Great Britain, is strongly pro-German and pro-Japanese. Without caring one jot about the accuracy of his statements, Rotherm re who, until a few months ago, was backing Sir Oswald Moseley and the Fascist movement in England, is publishing articles in the *Daily Mail*, crying "Hands off Japan!" A leading article in the *Daily Mail*, a few days ago stated that Manchukuo was necessary to Japan in order to assure her food supply!

Lord Rothermere's brother, Lord Northcliffe, founded the *Daily Mail*, and he was strongly anti-Japanese and anti-German. Right up until the time of his death Northcliffe was warning his compatriots against the "Yellow Peril". Rothermere has entirely reversed his brother's policy. Acting under the instructions of his Chief, Ward Price writes articles in the *Daily Mail*, deprecating the Naval Base at Singapore. Rothermere says that Japan must be given an entirely free hand in the Far East; she must be allowed to do as she wishes in China. Rothermere also affirms that British trade with China is not worth bothering about.

Needless to say the business men of England, and more particularly those engaged in the textile trades, do not agree with the *Daily Mail*, but it is realized that the policy of drift is bringing about a situation so dangerous that a flare-up in the Far East would be the only factor to attract public attention to the grave dangers confronting the Empire.

Thinking people here realize how extremely clever the Japanese were in timing their plans so as to prevent the Powers taking action. When Japan, in the most cynical fashion, set about the annexation of Manchuria, the United States was passing through the most acute stage of economic depression; Great Britain was just beginning to climb out of her slough of despond; neither of the two leading signatories of the Nine Power Treaty were in a position to use coercive measures against Japan.

The second act of the Japanese drama has now begun, and the same excellent timing is noticeable. President Roosevelt's silver policy has brought economic disaster to China, and has created a feeling of distrust towards Uncle Sam. Over in Europe, France, Germany, Italy and Great Britain are at loggerheads. Whether Tokio is in secret communication with Berlin or not does not very much matter, although in many quarters it is believed that there is a very close understanding between the two capitals. The excellent timing of the Japanese incursion into Northern China coincides wonderfully with the momentary impotence of both France and Great Britain.

Italy is strongly anti-Japanese, but Italy has her hands full now she has the Abyssinian adventure to face. France, until a few months ago, was at loggerheads with Italy, but Premier Laval went to Rome and gave Italy a free hand to do as she wishes in the conquest of an African Empire, and now France and Italy are close allies.

Japan has spent vast sums of money on propaganda with some of the Parisian newspapers, but the attitude of France, a nation with tremendous interests in the Far East, is not clear, although I believe the Quai d'Orsai is not at all favorably disposed towards the all-conquering spirit of Japan. But whatever the foreign policy of the French in the Far East may be, the country is in no position to take up any strong attitude to halt the march of the Japanese into China.

France is thoroughly scared by the pro-German wave which seems to be sweeping over England. It is only a few months ago that Stanley Baldwin made his famous speech in which he said that the British frontier was now on the Rhine. Since then, Hitler has torn up the Treaty of Versailles, has built an aerial fleet which is probably unsurpassed in the world, is creating a land army of half a million men, and proposes to build a Fleet which, in all likelihood will within two or three years be of great strength. There seems to be a disposition, and an uncomfortable one, to believe that an Anglo-German alliance is not far away.

A few weeks ago, the ex-Crown Princess of Germany and her daughter had tea with the King and Queen of England. That was a mere social visit, but at the same time Great Britain was startled by an extremely pro-German speech of the Prince of Wales. The unpopularity of the pro-Geramn movement among the masses is quite certain, but the masses are never coherent on questions of foreign policy.

At the moment, Great Britain has got herself into a thorough mess over the Abyssinian question. Without consulting Parliament, the British Government despatched Anthony Eden to Rome with proposals of a fantastic nature. Mussolini turned them down. Lord Rothermere, besides being pro-German and pro-Japanese, is also pro-Italian and anti-Russian, and unfortunately the National newspapers of this country color their news with views, so that the majority of the public has not the faintest idea of the truth. In a country where there is no press censorship, this is strange but true.

The permanent officials of the Foreign Office are fully aware of the dangers in the Far East, and the despatches of Sir Alexander Cadogan graphically report them, but it will take a very violent explosion in the Far East to draw public attention to the facts.

London, July 15, 1935.

N.E.C. Conference Formulates Flood Prevention Measures

Under the auspices of the National Economic Council, a conference to discuss and formulate measures for the prevention of flood of the Yellow River was opened in Nanking August 5. The conference was presided over by Dr. H. H. Kung, Acting President of the Executive Yuan, in his capacity as Chairman of the National Water Conservancy Commission and attended by Chin Fen, Secretary-General of the N.E.C., Fu Lu-lin, Coairman of the Yangtsze River Conservancy Commission Kung Hsiang-yung, Chairman of the Yellow River Conservancy Commission, Messrs. Shen Po-hsien and Chang Hung-lieh, Commissioner of Reconstruction of the Kiangsu and the Shantung Provincial Governments respectively, Cheng Chao-ching, Vice-Chairman of the National Water Conservancy Commission, Chen Nien-chung, representative of the Executive Yuan, and several water conservancy experts.

After considerable discussion, the conference decided on the following two measures: (1.) That the present flood waters be divided into several sections and diverted into the various water courses to prevent their further spread, and (2.) That measures be devised to repair some of the important breaches of the dykes in order to prevent the waters from pouring southward and to restrict them to their present affected areas. Discussions of the conference lasted nearly three hours.

According to Chang Hung-lieh, the flood of the Yellow River in Shantung this year was more serious than that in 1933. The affected districts number more than 40, covering an area of 500 li in length and 300 li in width. The damages to crops and buildings are incalculable. For the relief of the districts, a total sum of $5,000,000 is necessary and the present amount of $400,000 which has been appropriated by the National Government can hardly be of any great help to the flood victims.

General Chiang Orders Conservancy of Yellow River

General Chiang Kai-shek, in an order to the Provincial Governments in the Yangtsze Valley, instructed that preparations be made immediately for the conservancy of the Yangtsze River and its tributaries and the building of dykes by means of civilian and refugee labor, in order to avoid the recurrence of a flood disaster.

Floods on Shantung-Kiangsu Border

A large area north of Peihsien, on the western shores of Weishan Lake on the Shantung-Kiangsu border, was submerged August 3 when four portions of the private dykes of the Lake in the 6th Area were breached, following the arrival of the voluminous waters of the Nanyang Lake from the breached dykes at Chienchuang in Yutai, southwestern Shantung.

Southern Hupeh Flooded When Nan Ho Overflows

In consequence of the sharp rise of the Nan Ho (River) in Southern Hupeh, a large area along its banks has been inundated and heavy damage done to the crops. The flood waters seriously endangered Kucheng city. The District Magistrate and the garrison troops are exerting effort to protect the city walls.

Thousands Perish in Korean Floods

More than 7,000 houses were submerged by flood waters in Heian Hokudo province, north Korea, end of last week. Some 185 persons are known to have been drowned or killed in Antung as a result of the flood. The victims included 45 school children who perished when the school building collapsed.

Customs Examination Lifted on Domestic Parcels

As from August 1, postal parcels for domestic places are exempted from Customs examination at the time of posting, according to a postal notification issued this week by the Shanghai Head Post Office. The notification of the Post Office states in addition that parcels for the Three Eastern Provinces and Jehol and containing (1) hypodermic syringes and needles, (2) narcotics, (3) cinematograph films, (4) radio materials. (5) rolled tobacco, tobacco leaf, etc., (6) cigarette paper, (7) revenue stamps, tax certificates, etc., (8) bullion and-or loose silver, (9) gold, (10) military articles, and (11) sodium chloride must be presented to the Customs prior to posting.

Who's Who in China

戴 Tai Huai-sheng, Government official; born at Amoy, Fukien, 1890; studied at the Tungwen Institute, Amoy; member of the Tungmenghui, member of the Chinese Revolutionary Party and member of the Kuomintang; was engaged in business in the Philippine Islands for many years, during which hy was also active in Party work; appointed Commander of the Kuomintang Forces in Southern Fukien, 1915; Director of the Finance Bureau of the Eastern Route Anti-Rebel Forces in Southern Fukien, 1922 and concurrently Taoyin (Circuit Magistrate) of the Amoy Circuit; attended the People's Congress as a delegate of the overseas Chinese community in the Philippine Islands; was elected a reserve member of the Central Executive Committee of the Kuomintang at the 4th National Congress of Kuomintang representatives; appointed by the National Government member of the Standing Committee of the National Overseas Affairs Commission; now Special Commissioner of the Control Yuan for the Control Area of Kansu, Ninghsia and Chinghai; address: c/o Control Yuan, Nanking.

戴 愧 生

Tai Huai-sheng

戴愧生，年四十五歲，原籍福建廈門，同文書院肄業，同盟會會員，中華革命黨黨員，中國國民黨黨員，在菲律濱經商兼辦理黨務，民四任中華革命黨閩南司令官，民十一年任東路討賊軍閩南財政處處長兼廈門道道尹，國民會議菲律濱華僑代表，中國國民黨第四次全國代表大會被選爲候補中央執行委員，國民政府任命爲僑務委員會常務委員，現特派爲監察院甘肅寧夏青海區監察使。

Mongolia Agrees to Exchange Representatives With Manchukuo

It is reported in Ulan Bator Hoto that on July 29, Sambu gave the Japanese representative of the Manchukuo Foreign Ministry, Kanki, Mongolia's reply to the latest proposals made by Manchukuo on July 17.

Mongolia reminds Manchukuo that she proposed that a standing mixed commission be created to arbitrate frontier conflicts but in reply to this proposal, Manchukuo presented its ultimatum demanding that its representatives be allowed to reside anywhere they chose in Mongolia or that all Mongolian troops, guarding the frontier be withdrawn. Because these demands were an attempt upon the sovereignty of Mongolia and were directly insulting to her, she therefore declined to accept this ultimatum.

Mongolia further acknowledges that in its proposal of July 1 Manchukuo no longer insists upon being allowed to send its representatives exclusively, but instead proposes an exchange of authorized representatives.

In view of this, Mongolia, desiring to assist in securing peace on the frontiers, does not object to an exchange of authorized representatives on condition that their functions be limited to the settlement of questions coming from the frontier and that they reside in places designated by each Government, near the frontiers in order that they can speedily and actively intervene in case of a recurrence of frontier incidents.

Mongolia considers it expedient that these representatives also head delegations from both sides in a Frontier commission, the creation of which was proposed by Mongolia and to which Manchukuo has no objections.

Conscription Is Started in Kwangtung Province

With a view to strengthening the military forces in Kwangtung, the authorities have decided to commence the enforcement of military conscription as of July 30. As an initial measure, each of the 13,456 villages throughout the province will be required to provide at least one recruit of between 20 and 25 years.

OLING

DISINFECTING FLUID

亞林防疫臭水

五洲藥房發行 各處分店各紙烟店均售

用亞林防疫臭水隨時澆洒室內外及一切不潔淨處能滅微菌消穢毒爲最澈底最可靠之防疫方法

INTERNATIONAL DISPENSARY

SHANGHAI

Not Like Other Girls.

The lot of the girl who is "not like other girls" in the fact that she cannot participate in outdoor games because she lacks the strength and energy to do so is indeed hard. When she does overcome her nervous disinclination, and attempts to play, she quickly gets out of breath, her heart thumps appallingly, her face becomes flushed and her head dizzy, she feels hot and distressed and soon has to stop, completely exhausted.

The trouble with this girl is that she is anaemic. Her blood has become so thin and impoverished that her whole system is starved through lack of that nourishment which normal healthy, rich, red blood carries every minute of the day to the organs, muscles, fibres and nerves of the body.

To such a girl Dr. Williams' Pink Pills—so-called because of their pink sugar coating—give immediate help, containing, as they do, just the elements necessary to build up the blood, to fill it with red corpuscles, to enrich it with energy-producing, brain, nerve and muscle feeding haemoglobin. And persevered with for from 30 to 60 days their beneficent results are astonishing.

Equally good for men, and obtainable from chemists everywhere, if you are run-down, weak, pallid, lack appetite, weight, spirit, you will be wise to give an immediate traial to

Dr. Williams' Pink Pills

73-425

Men and Events

J. V. Crowe, manager of Ford Motor Company, Exports, Inc., is departing next week on a business trip to Japan.

H. M. Bixby, director of China National Aviation Corporation, returned to Shanghai this week from a business trip to Manila.

J. B. Gibbs, specialist for the U. S. Department of Agriculture, is scheduled to arrive in Shanghai shortly and will establish an office here.

Wm. P. Hunt of L. Everett and Company, went to Tsingtao last week on a brief visit, joining Mrs. Hunt who is spending the summer there.

Rev. Emory W. Luccock is due to arrive back in Shanghai August 16 and will occupy the pulpet of the Shanghai Community Church, the following Sunday.

The China Outlook is the name of a new weekly journal established in Shanghai. The executive editor is Teh Ming-liang. The offices are at 505 Honan road.

Sun Fo, president of the Legislative Yuan who is vacationing in Tsingtao, will return to the Capital Aug. 22. The 26th meeting of the Legislative Yuan will be held the following day.

Dr. George Sellett, former U. S. District Attorney and now attorney for the liquidator of the bankrupt Raven enterprises, went to Tsingtao last week on a brief vacation.

With the avowed aim of assisting in the improvement of Sino-Japanese relations, the Shanghai *Nichi-Nichi* Aug. 5, printed a special page in the Chinese language—a feature which is to be continued daily.

Richard K. Schmidt, son of Lieutenant-Colonel and Mrs. Harry Schmidt who is a Sophomore at Stanford University in California, where he is studying medicine, is visiting his parents in Shanghai.

Dr. Ann Walter Fearn will return to Shanghai this autuman after a prolonged absence. Consul-General E. S. Cunningham received a letter this week from Dr. Fearn, now visiting friends in Honolulu, saying that she will arrive here September 23.

Four of five communist suspects, arrested more than a week ago by police of the Chengtu Road District, were handed over to the Chinese authorities by the Second Kiangsu High Court, end of last week. The suspect released was a female, the other four were men.

Madame Flora Rosemberg, French attorney, departed last week for Tsingtao, and after a few days there, departed for Paris on a business trip. Mme. Rosemberg will stay in the French capital for two or three months, returning to Shanghai next autumn.

Ko Shimadzu, secretary of the Japanese Y.M.C.A., and Shojir Furuya, a director of the organization, returned to Shanghai Aug. 6 from a three-month trip to Japan, during which they discussed plans for a campaign to raise funds for the building of a Japanese Y.M.C.A. building in Shanghai.

D. Dolmatoff the representative of the Mladorosses (League of Young Russia) who had been arrested by the Japanese in Harbin recently, has regained his freedom and is recovering from a sickness caused by prison regime. He is expected to arrive in Shanghai about middle of the next month.

Paul Premet, French attorney representing Joseph Walden, ("Mr. X,") an alleged foreign communist arrested several months ago by Settlement police and later turned over to Chinese authorities, proceeded by plane August 6 to Hankow where the Hupeh High Court will decide the alleged communist's fate.

Prince Alexis Mdvani, until recently the husband of the Woolworth heiress, Barbara Hutton, was killed in a motor smash near the village of Albona, in the province of Gerona, in north-east Spain, Aug. 2. Mdvani was of Russian Georgian nationality, and was in Shanghai two years ago on his honeymoon trip.

Dr. S. L. Joshi, head of department of Comparative Religion at Dartmouth College in the United States who has been spending some time in India, where he was formerly professor in the University of Baroda arrived in Shanghai this week. He plans to visit Nanking and Peiping before continuing on his homeward journey.

John A. Steele, maintenance engineer connected with Pan-American Airways, arrived in Shanghai this week and is staying at the Metropole Hotel. Mr. Steele came to the Far East with the Pan-American steamer *North Haven*, which surveyed the air-route across the Pacific and established landing bases at Wake Island, Midway, and Guam.

T. O. Thackrey, publisher of the Shanghai *Evening Post* and *Mercury*, accompanied by Mrs. Thackrey and daughter Jane, departed for the United States Aug. 7 on the Dollar liner *President Jefferson*. Mr. Thackrey is stated to be going on an extended business trip. George Bruce, managing director of the Mercury Press, will meanwhile take over the business management of the *Evening Post*. Randall Gould will continue to act as editor of the paper. Mr. Thackrey came to the *Post* in the fall of 1930, he having left the Scripps-Howard chain of newspapers in America to come to China. Mr. Thackrey's home town is Manhattan, Kansas.

Yi Chung-kai, an officer of the Chapei Electric and Water-works Company, was killed and six other Chinese, including two boys, were seriously injured August 4 in a motor accident which occurred on the Shanghai-Minghong Highway, about 15 miles from Shanghai.

Invitations have been issued by Messrs. Shen Pai-sen, Chen Kou-fu, Wu Te-chen and Hsu Pai-huang for the through traffic ceremony of the Shanghai-Wusih Highway which will be held on August 18, at 8. m. at Ku Chi Garden, Nanziang, and also lunch to be given after the ceremony at Shan Chin Garden, Changshu.

The Yankee Clipper is the name of a new monthly journal established in Shanghai with Don Smith as editor and Florence Lowe as business manager. The initial issue contains a welcome message from E. S. Cunningham, U. S. Consul General. An editorial written by Randall Gould indicates that the *Clipper* will be predominantly American, yet lightened by a broad atmosphere of consideration for other nationalities.

T. O. Schmid, agent in China of the American cotton firm of Anderson, Clayton and Company of Shanghai, was married to Miss Mary G. von Stein of California in Yokohama Aug. 2. Mrs. Schmid was formerly head of the department of biological sciences at Chaffey Junior College in Ontario, California. Mr. and Mrs. Schmid will make their home in Shanghai.

Rear Admiral W. H. Allen, U.S.N., arrived in Shanghai Aug. 2 by the *ss. President Wilson* from Manila to take over the command of the Yangtze Patrol. Admiral Allen has been in the Orient on various tours of duty for 34 years, coming here in 1901 after the Boxer Rebellion to serve with the U.S. Asiatic Fleet. Recently he has been in command of the Navy Yard at Cavite.

Capt. Evans F. Carlson of the U. S. Marine guard at Peiping, accompanied by Mrs. Carlson, departed for the United States on July 30. They had previously planned to visit in Shanghai prior to their departmer, but found they did not have sufficient time. Capt. Carlson was previously U. S. Marine Intelligence Officer here. Extended reference to Capt. Carlson's services are contained in the August issue of the *American Legation Guard News*.

Thomas Ernest Mellows, whose father was formerly in the River Police at Shanghai, was sentenced to three years penal servitude in England July 12 for false pretencs, obtaining credit by fraud and attempted suicide. He staied in court that he was entitled to a legacy of £2,539 from Shanghai, but the police at Shanghai stated that he was not a beneficiary of his father's estate. It was stated in evidence that the prisoner had spent £2,000 on a chorus girl.

Because the failure of some Japanese residents in Shanghai to pay their rent reflects unfavorably upon the prestige and sense of honesty of the entire community, delinquent tenants will be strictly dealt with, the Judicial Officer of the Japanese Consulate-General has decided, according to the Shanghai *Mainichi*. Seventy-three civil suits, of which 43 are for the non-payment of rent, have been filed with the Consulate-General this year. This was said to represent a three-fold increase in comparison with two years ago.

A verdict that he "threw himself off a cliff while of unsound mind" was returned at the inquest in London August 1 on Lieut. Derek Norman Trowbridge Webber, whose body was found near Beachy Head previous day. His father, Brigadier N. W. Webber, said his son had unsuccessfully tried to obtain employment since he left the Navy two years ago. He declared that his son received a telegram from Hankow on July 30 stating that there were no vacancies in the Chinese Customs, which he was keen on joining. Messages received in Shanghai from London indicated that Lieut. Webber had been secretly married to Miss Tony Doveroff, a Russian.

Mei Lan-fang, foremost woman impersonator on the Chinese stage, arrived back in Shanghai, Aug. 3, after a five-month's tour of Europe. A reception in honor of Dr. Mei was given by Li Shih-tseng, director of the China Research at Geneva, Y. M. Chien, noted Chinese banker, Tu Yueh-sen, president and general manager of Chung Wai Bank and Yu Ming, director of the Shanghai Office of the Ministry of Foreign Affairs. The reception was given at the World Research Institute on Route Ferguson. It is understood that Dr. Mei may be prevailed upon to give a series of performances in Shanghai in the interest of flood-relief.

A gang of armed robbers held up a motor car of the Bank of Communications in Kinling Road, Chapei, on the morning of Aug. 2 after blocking the road. They seized a bag containing more than $1,300. Five persons allegedly involved in the robbery were arrested Sunday and Monday during raids carried out by Chapei police on a house opposite the Ta Chung Hwa Rubber Shoe Factory, Brenan Road. Eighteen other culprits were apprehended at various places in Zaokadoo, where the guns taken by the robbers from a bodyguard of the bank and a Chapei policeman were also recovered. The alleged chief of the robber gang is Lu Ching-fu, one of the five men arrested at the Brenan Road house.

THE GIST OF JAPANESE PRESS OPINION

The Italian Government seems acting under the influence of racial prejudices in regard to the Italo-Ethiopian issue. Italy criticises even Japan from that warped viewpoint of race. The pending issue might be settled, but the racial problem thus taken up by Italy will remain for which Italy is responsibile.—*Tokyo Kokumin.*

It is fanatical the way that Italian newspapers are crying out "Down with Japan." That Italy is going to trample Ethiopia underfoot, because of being a negro country, is against the ideals of racial equality and the principle of international justice. Italy's action is unpardonable in the eyes of God and man.—*Tokyo Miyako.*

It is quite right that there should be a movement to suppress the Minobe theory for the protection of the Japanese nationality. But to utilize the problem for selfish political ends as is being done by some of political party leaders destroys the very purpose of such movement.—*Tokyo Asahi.*

For the first time the Mombusho is going to insert a lesson on earthquakes in the elementary school text books. It is better than never, however belated, since knowledge about earthquakes is particularly important to the Japanese. This sort of scientific knowledge should be imparted to school children.—*Tokyo Asahi.*

Both Britain and America are reported to have relinquished their former stand in favor of the naval ratio principle. This means their recognition of Japan's claims and marks advance towards establishment of a real sense of national defense.—*Tokyo Nichi Nichi.*

With a basic agreement reached, in North China, towards solution of the trouble there, the talk of Sino-Japanese cooperation is once again brought up between the authorities concerned. The increasing friendship between the two nations has aroused Ambassador Bogmoroff to become specially active among the Chinese authorities in Nanking, Shanghai and Peiping, in an attempt to supervise Japan's diplomatic operations in North China and to restrain Japan's action towards Nanking.

It is very satisfactory to note that the S.M.R. will undertake a large scale investigation into the economic possibilities of North China with a view to the Sino-Japanese economic cooperation. The aim should be attained through promotion of the commercial transactions between the two countries.—*Tokyo Chugai.*

China appears to have realized at last that the Sino-Japanese friendship is best for China. Following the gradual improvement of the North China situation, the Nanking Government is changing its attitude towards Japan. The earlier the change the better it will be.—*Tokyo Asahi.*

French Police Enter Chinese Area to Rescue Two Annamite Policemen

One Annamite policeman is hovering between life and death at St. Marie's Hospital and another constable is suffering from serious injuries as the result of a riot staged in the neighborhood of Pont St. Catherine, at the south-eastern extremity of the Shanghai French Concession on the morning of Aug. 6. when a mob of several hundred men rushed over the bridge into the Concession. The mob, armed with iron bars, stones and other weapons, rushed the two Annamite police officers on duty on the border and disarmed them. In the meantime, an alarm had been put through to the French Police headquarters and a squad of 80 men was rushed to the scene. They drove the mob back into Chinese territory, but the latter carried with them the two Annamite officers, pounding them with fists, feet and sticks, having smashed their rifles. Notwithstanding the fact that the mob was in Chinese territory, the French Police advanced across the bridge and picked up their badly injured colleagues.

Children's Summer Ailments.

You know how the long days sap your own vitality. Small wonder, then, that little children, who are on the go from morning till night, excepting perhops for a short siesta, often become over-heateed and over-tired, with feverishness, 'tummy' trouble, cold or 'chill', developing as a result.

It is especially to meet such troubles that Baby's Own Tablets are designed. Each tablet contains the right amount of a simple substance given by children's specialists for gently cleaning the intestines and correcting summer diarrhoea. To allay simple fever and the pains of teething, to dispel 'wind' and colic and accelerate digestion, to relieve colds and croup and to expel worms, there is nothing so good as this famous specific for children's ills.

Baby's Own Tablets.

For children of all ages.

CUSTOMS NOTIFICATION No. 1458

The public is hereby notified that, in accordance with Government instructions, native duty-free goods exported, and native goods re-exported, from Shanghai will be exempted from Conservancy Dues for a period of one year from 1st August, 1935.

H. O. Tong,
Superintendent of Customs.

C. H. B. Joly,
for Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 31st July, 1935.

In the United States Court for China

WARREN BRADBEER, Plaintiff, vs. GEORGE F. BRADBEER, Defendant.	Cause No. 3922 Civil No. 1845 ORDER Filed at Shanghai, China, July 31, 1935. William T. Collins, Clerk.

The object of this suit is an action for divorce

WHEREAS, plaintiff herein, by her attorneys, has this 30th day of July, 1935, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 31st day of July, 1935, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 30th day of July, 1935, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since March 25, 1933, and that defendant's last known address was care of 32nd Company, Royal Army Service Corps, Malta.

NOW, THEREFORE, it is this 31st day of July, 1935, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, Shanghai, China, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after 17th day of August, 1935, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 31st day of July, 1935.

MILTON J. HELMICK,

Judge.

New Books of Interest in the Far East

A Scholarly Review of America's Foreign Relations

A History of American Foreign Relations. By Louis Martin Sears, Ph.D., Professor of History in Purdue University. Second edition, revised and enlarged. Thomas Y. Crowell Company, New York. 1935. *Pp.* 640 *Bibliography, pp.*27 *Tables and index.*

Foreign relations have always been subordinated to domestic policy for the American people, and the reason is plain. Geographic isolation has dictated a policy of diplomatic isolation, and this has colored every particular foreign policy which it is possible to characterize as peculiarly American. This apathy towards European and world politics has at times been called by critics an unwillingness to assume responsibilities, but it is rooted in an evident national self-interest and also in a sound democratic conviction, and this combination has on the whole made for peace. When American policy has been of the more active kind it has been branded as "dollar diplomacy." But most students feel that in respect to foreign relations the United States has "come of age".

Whatever form it has taken, American foreign policy and the events attending it form the theme of this very readable book of Professor Sears. When one runs through the names of some of the men that have contributed most in American foreign relations, and mentions some of the high points of achievement, it becomes evident that the United States has had many men of statesmanship to serve her at certain critical times of her history. There is Franklin, first minister abroad during the war for independence, obtaining the very favorable terms of the treaty with England in 1783; Washington, giving in his farewell address the seasoned advice which his country has ever since followed, sometimes even forgetting that "new occasions teach new duties;" Jefferson, peacefully acquiring the whole vast territory of Louisiana for the nation's expansion, and also making in his Embargo Act "a great experiment in pacifism" as Professor Sears aptly calls it. The Embargo experiment was unsuccessful, but Professor Sears reminds us: "Not even yet has the true remedy for war been found." There are James Monroe and John Quincy Adams, and it is worth remembering that John Quincy Adams deserves as much credit as does Monroe for the Monroe Doctrine, for it was he that drew it up in the form it took. There is Webster, famous for his championing of the union, but deserving for his part in the Webster-Ashburton Treaty of 1842 a place "among the greatest of our foreign secretaries;" and Seward, the much quoted, who had his faults but rose superior to them, and who also acquired Alaska. Then in the later period, which inaugurated the present situation of the United States in world relations, are the figures of John Hay, Elihu Root, Theodore Roosevelt, and Woodrow Wilson; men of large international outlook all.

Readers in the Far East will naturally be interested in Professor Sears' treatment of this area. In this connection the following quotation from page 573 is not amiss:

> "Three zones there are of American diplomacy, one in the Americas themselves as reflected in the doctrine of Monroe; one in Europe, where for the present at all events American cooperation is at a minimum; a third in the Far East, where America's traditional and colonial interests and her outlook over the Pacific toward Oriental powers but recently emerged or even now emerging, invites a more aggressive policy than we seem likely to pursue in Europe."

One questions the correctness of this last implication even while one accepts it. Certainly in foreign relations it happens that what is not accomplished in one way will be accomplished by the law of compensation in another way. The Stimson doctrine of non-recognition of Manchukuo seems to have intimated a more aggressive policy on the part of the United States than has actually proved to have been the case. But on the other hand the recognition of Russia by the United States in November, 1933, was a moral and economic strengthening of Russia, tending to offset the power of Japan. This fact is pointed out by Professor Sears.

There are many interesting points in American foreign relations and policy illustratively interpreted in this book. More than two hundred pages are given to the events of the 20th century, of which forty pages review the foreign policies of Presidents Hoover and Franklin Roosevelt. The subject of Latin America is treated with considerable fullness, as are its particular aspects such as Cuba, Mexico, the Caribbean, the Panama Canal; and considerable attention is given to relations with Canada and to the Far East. On every aspect the author has been careful to consult the best authorities. Any reader or student will find this a very satisfactory volume on the whole history of American foreign relations. It has freshness both as a narrative and as an interpretation.

D. ROBERTS.

St. John's University, July 29, 1935.

An Old China Travel Book in a New Dress

"Three Years Wandering in China." By Robert Fortune. The University Press, Shanghai.

An amazing book this, in many ways. One might perhaps anticipate the quaint narrative style, but who would expect that the majority of things noted by this keen observer one hundred years ago remain much the same today, and attract the attention of every new-comer. The outstanding exception to the generalization is, of course, his running comment throughout the book on the flora of China, to be expected in view of his profession and the object of his coming.

The thing that makes Robert Fortune's book distinctive from travel volumes of today is its unconscious revelation of the mutual suspicion existing in those days between the simple peasant people of China and the well-intentioned visitors known as the "red-headed men" of the West. Understanding and good-will were non-existent since Oriental and Occidental were as strange to each other as creatures of different planets. So when Mr. Fortune discovered the nursery gardens on the outskirts of Shanghai by chance, the Chinese owners and their neighbors conspired to make the place seem deserted. But as he relates:

> "A few months wrought a great change upon these diffident and timid people, and at length they not only received me with pleasure but begged me to bring my friends and acquaintances to see their garden."

> In turn, Fortune and his friends "always treated them with kindness and consideration, a favorable impression was made upon their minds, which I have no doubt will long continue."

One could fervently wish that all personal relationships between peoples of East and West could have been maintained on this level of "kindness and consideration."

The suspicions were always near at hand, however, even on the part of the Englishman when he came into contact with other strangers. Thus when he left his boat for the purpose of climbing the Shanghai hills and returned to find that, altho several hundred people had visited his boat nothing had been taken from it, he says "The boatmen must either have been very sharp, or the people must have had a superstitious dread of the property of a foreigner: to put it down to their honesty is, I am afraid, out of the question."

It is interesting in view of the growth and prosperity of the Crown Colony of Hongkong to read Robert Fortune's discouraging prophecy:

> "Viewed as a place of trade, I fear Hongkong will be a failure."

tho he admitted that "with all its faults its importance may yet be acknowledged in the event of another war." When he visited the Chusan Islands he was greatly impressed with them and said the islands reminded him of the Highlands of Scotland, and he exclaims:

> "Did our island of Hongkong possess the natural beauty and advantages of Chusan, what a splendid place it might have been made by our enterprising merchants in a very few years."

Early in his Eastern experience he learned the lesson of the value of a joke in dealing with the Chinese people, and it stood him in good stead in subsequent and somewhat precarious circumstances. He was wise enough to follow the circumlocutions of official diplomacy instead of the blunt direct method so much more natural to the Westerner. Therefore, when he was beyond the bounds of the treaty port and the mandarins sought to ensnare him by sending him in their own boats and with an escort of their own men, ostensibly for his protection but actually to deliver him to the British Consul as an offender, he played the same game of seeming consideration by politely refusing their "too great kindness," thus escaping without giving offence as a curt refusal would most certainly have done.

Storms on the China coast and encounters with pirates add interest to the simple tale. His descriptions of the missionary in the incongruously mixed costume of mandarin and coolie is much more kindly than the pen-pictures of Peter Fleming, for instance, traveling in China one hundred years later. To his mind, *North* China meant Chapoo, Ningpo and Shanghai, as far north as he journeyed, though he knew about Peking.

The book has been re-published in a limited and de luxe edition which anyone fortunate enough to own may be proud to possess. Unfortunately, de luxe editions are expensive, but this one is well worth the effort of other economies if necessary in order to add it to one's library.

G. T. F.

Japan's Government and Her International Relations

BY HAROLD SCOTT QUIGLEY*

A country's foreign policy is not determined by the nature of its government. But the form of a country's government is an index to its foreign policy, since it represents the forces in its public life.

Americans think of government as a democratic process and look for democratic tendencies in foreign governments. We can with difficulty imagine a state in which the people prefer to think of their ruler as an absolute monarch. But Japan is such a state. Japan has a national assembly to which representatives are elected on the basis of manhood suffrage. But that assembly is so weak that it functions only as a fulcrum for the larger political parties, which use it to win jobs for their members and favorable legislation for the business interests that support them. It is wholly subservient to the cabinet which, in turn, is powerless before the elder statesmen of the bureaucracy, civil and military.

Japanese, however, are mistaken in thinking that they are ruled by an emperor of lineage unbroken for ages eternal. That is no more true today than it was in the 17th century or in the early 19th century, before the "Restoration" of 1867. The real rulers of Japan are the descendants of the great feudal clans and they, like their ancestors, exalt the imperial household in order to check the growth of democratic ideas. Thus the real government is an oligarchy. And the interlocking of the agencies that serve the oligarchy is complex and confusing. The location of responsibility is most difficult.

From the outside the conduct of foreign relations bears some resemblance to that of a parliamentary system. The minister of foreign affairs in the cabinet performs the usual functions of such a department in Great Britain or France. He is held responsible for his conduct of the office and the cabinet as a whole accepts responsibility for acts to which it has assented. But at this point the resemblance ends. In the first place, the foreign minister is never a party man, though he may be known to be friendly to one of the parties, as was Baron Shidehara to the Minseito. Exceptions to this statement may occur when a premier who heads a party temporarily takes the foreign portfolio. But the principle followed is that the foreign office is above party—which means that it is not responsible to the national assembly.

A recent development is illustrative of the status of the assembly. A national policy council has been formed to unify the influence of important personages and thus to secure the passage of legislation in the assembly. This was found necessary because the majority party in the house of representatives, the Seiyukai, is opposing the government, not because they dislike its program but because they want to take office. By persuading two prominent Seiyukai leaders to enter the national policy council the premier hopes to win enough Seiyukai votes to get laws passed. He might hold a general election but apparently feels that the time is not propitious. The accession of the Seiyukai would mean an even stronger nationalist policy than is at present in force.

After receiving cabinet approval the project must be submitted to the Privy Council. This is a small body of elderly men, most of them graduates from active life in the civil bureaucracy and extremely conservative, regarding themselves as the conservers of the *Kokutai*, i.e., the national polity in which the dynasty is held to be the essence of the state. No policy disapproved by the Privy Council can become law in statute, ordinance, or treaty.

The project also must be submitted to the *genro* (elder statesman). The *genro* is a comparatively recent institution but it carries on the very old tradition that requires one adviser to be checked by another. Today but one member of the *genro* survives, Prince Saionji, and he is 85 years old.

En route to the emperor a project of policy must pass a third scrutiny—that of the imperial household ministry. These men are not in the cabinet nor are they provided for in the constitution. Their legal basis is the imperial house law.

It will be seen that the procedure of getting foreign policy enacted is sufficiently complicated even when no question of concern to the military departments is involved. But the difficulties are more than doubled when the latter are brought into the process. a long-standing principle which today is pretty generally recognized as constitutional the military departments are the proper adviser of the emperor in the matter of national defence well as in the administration of the army and navy in peace and war. Thus if a treaty affects the size of the navy, as did the treaties of Washington (1922) and of London (1930), expects to control the policy of the country. We are then presented with the possibility—which became a fact in 1930—that the premier, speaking for the foreign minister and the cabinet generally, will advise the emperor for one ratio while the chief of the naval staff, who has direct access to the throne, advises for a higher ratio. We then have a conflict between the constitutional authority to advise on foreign affairs and the constitutional authority to advise on defence. How is this to be resolved?

**Condensed from an address delivered July 10 before the round-table on the Far East at the Institute of Public Affairs, University of Virginia.*

In the United States Court for China

In re. Estate of CARL L. SEITZ Deceased	Cause No. 3911 S. P. No. 1026 NOTICE Filed at Shanghai, China, July 20, 1935. William T. Collins, Clerk L. T. Kenake, Asst. Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of CARL L. SEITZ, deceased, to present the same with vouchers to the undersigned on or before January 20, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

CLAYTON L. SEITZ,
c/o American Asiatic Underwriters.
17 The Bund.

Shanghai, China,
July, 20, 1935.

The Most Comprehensive Survey Yet Compiled of Reconstructional Progress in Modern China

Reconstruction in China

EDITED BY T'ANG LEANG-LI

CONTENTS

CHAP.
I—POLITICAL REHABILITATION.
II—AIMS AND MACHINERY OF RECONSTRUCTION.
III—INDUSTRIALIZATION.
IV—EDUCATIONAL REFORM.
V—ATHLETIC PROGRESS.
VI—PUBLIC HEALTH AND SOCIAL RELIEF.
VII—CULTURAL RECONSTRUCTION.
VIII—THE LAW AND ITS ENFORCEMENT.
IX—THE BANKING SYSTEM.
X—RAILWAY DEVELOPMENT.
XI—ROAD CONSTRUCTION.
XII—COMMERCIAL AVIATION.
XIII—MERCANTILE MARINE.
XIV—POSTS, TELEGRAPHS, TELEPHONES.
XV—RURAL REHABILITATION.
XVI—TOWN-PLANNING AND MUNICIPAL DEVELOPMENT.
XVII—NATIONAL DEFENCE.
XVIII—MISCELLANEOUS PROGRESS.

Royal 8vo.—440 pages—Cloth Cover
With 130 pages of Half-Tone Illustrations and 3 Maps
Price: In China $15 (postage 50 cents)
Abroad G.$10 (post free)

(PRE-PUBLICATION ORDERS RECEIVED AT $12 & G.$8)

READY ON JULY 30th

Orders received at:

The China Weekly Review Office

Publishers:

CHINA UNITED PRESS

299 SZECHUEN ROAD, SHANGHAI

The Progress of China's Family Education

The following are extracts from an article on the above subject written by Jabin Hsu, General Secretary of the National Child Welfare Association of China, which will be submitted to the Fifth International Congress on Family Education, scheduled to be held in Brussels during August under the patronage of the Belgian Government

The Chinese family system has developed and perfected itself through its historically long existence, and the contented millions seem to have been getting along with it very happily. Yet if we look at it from the modern point of view, and especially if we measure it by the Western standard of life and thought, we are to see many drawbacks, defects, and even evils in this old-fashioned system. In 1925, the Y.M.C.A.s of China started the so-called Better Home Campaign throughout this country. They aimed to abolish the large family type and concubinage, and promote proper social intercourse between man and woman, the idea that marriage should be sacred and happy, the improvement of sanitation in the home, the adoption of suitable family recreation, the training of parents and young people in home management, the uplifting of the happiness of children and the setting up of a good family environment, etc. It was reported that they organized hundreds of Good Home Clubs here and there, accomplishing many things along that line. We believe this campaign is the first dynamic force to push China's family education forward.

The Home Week Campaign was started in 1930 under the direction of the Home Committee of the National Christian Council of China. The outstanding feature of this campaign was the observance of all over China of proclaiming the Home Week, the last week of October. In December 1930 the East China Conference for leaders of the Home Week Campaign was held in Huchow, Chekiang. Ninety delegates and leaders from twenty-seven different denominations and Christian organizations of five provinces spent ten days in this epoch-making conference. Definite resolutions and plans were formulated for encouraging the Churches to have training classes in Christian parenthood and the Christian nurture of children, and for mission schools to have Christian home-making courses, in order that the future Christians may be prepared to meet the vital needs of the homes of New China. During these several years, this Home Week Campaign was carried on in Churches and mission schools throughout this land and the Home Committee of the Council has published many pictures, posters, pamphlets and songs that are to do immense good to Christian homes.

National Child Education Association

The National Child Education of China was established in 1927. The aim of the association is to study the education of the child in the primary school, the kindergarten, and the home with a view to supply concrete teaching materials, emphasis being laid on the actual problems of the child. With over 2,000 individual members and over 40 federate members, it sets its headquarters in Shanghai and branch associations throughout the whole country. Besides child education, it also exerts its strength in the promotion of family education. Its publications consist of the Child Education Monthly, Child Education Series, Child Education Monographies and Modern Children's Literature. Thereby, the common people may benefit themselves by acquiring new ideas and scientific knowledge on educating the child.

This organization was launched in 1928, the founders being Dr. H. H. Kung, Dr. Fong F. Sec, Mrs. P. W. Kuo, etc. The avowed purpose of the association is to "advocate, protect and insure the rights of the children of China, and promote in every possible way their well-being." According to an official statement given by its President, Dr. H. H. Kung, the organization "is a project in the practical application of the teachings of the Golden Rule and a patriotic attempt to serve the nation by helping its coming generation of citizens in whose hands rests the future of the largest and youngest democracy on the globe." During the past years the association carried on its huge work of uplifting the well-being of children along four lines: (1) Child Protection, the safeguarding of the Child's Legal Rights; (2) Child Relief, the care of unfortunate children; (3) Child Health, the cure of diseases and promotion of hygiene; (4) Family Education, the arousing of public sentiment for the right and reasonable handling of the child. Its periodical "Modern Parents' Monthly" is unanimously recognized as the sole and best organ of family education in this country. The association has published pictures, posters and family education series for parents. Discussion Clubs and radio broadcasting are held periodically with good results.

The women of China are no longer confined to domestic sphere. They are coming out in a remarkable manner into public life. In education, business, government, medicine, and so forth, Chinese women are rapidly taking their places. For that reason, the fathers have to share the responsibility of family education with the mothers on the one hand, and there is growing demand for our society to establish creches for those parents who cannot spare time to take care of their children and nurse training schools to train technically fitted nurse to help the ordinary parents caring for the infants on the other hand. Really, it behooves us to push China's family education onward. In order to carry the point, I deem it imperative to unite in our efforts, from both the government and the people to achieve our aim. In the promotion of China's family education, there are many foreign friends who are helping us. To them, I wish to take this opportunity of expressing our deep appreciation.

Mandate on Child Welfare Issued by National Government

On the occasion of the inauguration of National Children's Year August 1, the National Government specially issued a Mandate enjoining the enforcement of all measures designed for the promotion of child welfare. Among the points mentioned were the following:

"Measures for the promotion of child welfare—such as free education for children of school age, mental and physical training for children of school age, scientific methods in obstetrics, promotion of the health of infants and children, and prevention of contagious diseases—are expressly provided for in the Provisional Constitution (*Yueh Fa*), and various Educational and Public Health regulations.

"Measures safeguarding the life and other rights of children, fixing the minimum age for child labor and apprentices, and restricting the hours of child labor, are specially provided for in the Criminal Code and the Factory Law.

"China has also signed an international convention for the prohibition of traffic in women and children.

"In order to promote the welfare of children and consolidate the national foundation, it is hereby ordered that any measure (for child welfare) which is expressly provided for by law but which has not yet been fully carried out, be enforced by all Government organs concerned throughout the country.

"It is hereby further ordered that any measure (for child welfare) which has not yet been expressly or adequately provided for, be formulated within the Children's Year, and submitted (to the National Government) for approval and enforcement.

British Consuls Ordered to Report on Drug Suppression Measures in China

In the House of Commons July 31, Foreign Secretary Sir Samuel Hoare said that British Consular officers in China had been instructed to report on the efficacy of the new measures for the control of the drug traffic.

Kweichow Issues Reports on Opium Revenue Collections

The total revenue collected by the provincial government of Kweichow amounts to about $12,000,000 including $700,000 in landtax, $1,500,000 in salt tax, and about $2,000,000 in goods tax. The most important item of revenue is the opium tax. The annual export of opium from Kweichow amounts to about 30,000 *tan* (62 catties to each *tan*), and the export tax on the opium amounts to $4,800,000. In addition, there is a 21 million dollar fine for using opium, and a fine of about $2,000,000 called a "fine to prohibit opium smoking, which was recently abolished. The *Ta Kung Pao* says that more than 7,000 people in the city of Kweiyang are opium smokers. The provincial capital of Kweichow might be called opium city.

Hopei College Director Strangled to Death

Su Ling-hsien, Director of Studies of the Hopei Provincial College, at Tientsin was found dead his bedroom in the Faculty Dormitory, with a rope tied around his neck and two deep hatchet cuts on his head. According to the coroner's findings, Mr. Su was done to death in the night of July 30. At a corner of the college campus, the police found a pair of discarded gloves, indicating that the murderer or murderers had already escaped.

Make the Most of Your Eyes!

Your eyes are your main feature; by their expression and appearance you are often judged. They are mirrors too of your internal condition. Your eyes should be bright and clear; if they are neither, then in all probability your liver is sluggish, you are constipated, and your food tract is clogged with poisonous waste matter.

To make the most of your eyes, therefore, avoid constipation in the pleasant, effective, non-habit-forming way, by taking an occasional dose of Pinkettes. Mildly laxative, these tiny pills correct constipation, liven up the liver, aid digestion, keep the eyes clear and bright, the breath sweet, the skin free from blemishes; they also are of great help in relieving piles. Chemists everywhere sell Pinkettes.